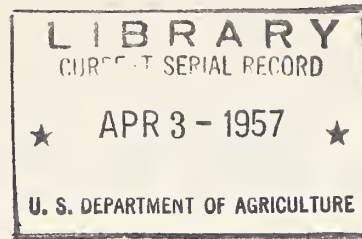


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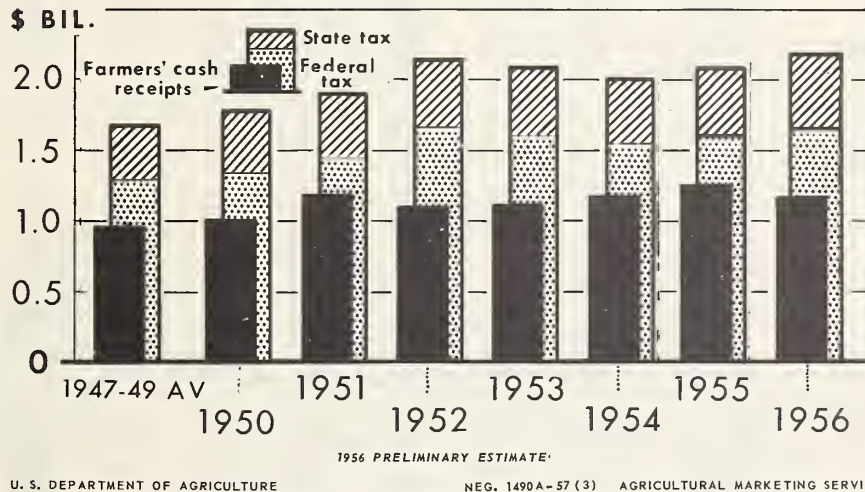
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TOBACCO SITUATION

TS-79



GOVERNMENT TAX RECEIPTS FROM TOBACCO PRODUCTS AND FARMERS' CASH RECEIPTS FROM TOBACCO



Federal and State tax receipts from tobacco products during 1956 were near 2,185 million dollars, 4 percent above 1955 and a new high. Collections by the 42 States (also District of Columbia) taxing tobacco products were a record and Federal receipts were second only to 1952. Cigarette taxes accounted for the predominant share of total tobacco taxes.

Cash receipts to growers in 1956 from tobacco at 1,151 million dollars were 6 percent lower than the record 1955 total. Farmers' cash receipts from

tobacco in 1957 will be smaller than in 1956 because acreages for some kinds are being cut in order to reduce surpluses. About 30 percent of the tobacco grown in this country is exported as leaf or shipped overseas in manufactured form. Although taxes are not collected by the Federal and State Governments on tobacco exports and other shipments for overseas use, many foreign countries impose heavy duties on imported leaf or substantial taxes on finished tobacco products.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1955-56				1956-57				Last data available as percentage of a year earlier
		Oct.	Nov.	Dec.	Jan.	Oct.	Nov.	Dec.	Jan.	
Average prices at auctions										
Flue-cured	Cents per lb.	54.4	52.9	48.6	41.0	51.8	48.7	41.8	38.9	95
Burley	Cents per lb.	Closed	57.3	58.7	58.2	Closed	61.1	64.1	63.9	110
Maryland	Cents per lb.	C - 1 - o - s - e - d				C - 1 - o - s - e - d				---
Fire-cured	Cents per lb.	Closed	32.1	32.1	37.2	Closed	39.0	40.4	36.8	99
Dark air-cured (35-36)	Cents per lb.	C-1-o-s-e-d				C-1-o-s-e-d				110
Virginia sun-cured (37)	Cents per lb.	Closed	25.5	26.8	25.4	C-1-o-s-e-d				143
Parity prices										
Flue-cured	Cents per lb.	52.9	52.7	52.7	53.4	54.5	54.9	54.9	55.8	104
Burley	Cents per lb.	50.8	50.8	51.1	52.0	53.4	53.8	53.8	56.6	109
Maryland	Cents per lb.	53.5	53.3	53.3	52.4	54.0	54.5	54.7	54.7	104
Fire-cured	Cents per lb.	35.3	35.2	35.2	35.4	36.2	36.4	36.4	38.3	108
Dark air-cured (35-36)	Cents per lb.	30.0	29.9	29.9	30.3	31.0	31.2	31.2	32.7	108
Virginia sun-cured (37)	Cents per lb.	33.6	33.5	33.5	32.3	33.0	33.2	33.2	35.0	108
Parity index 1/	1910-14=100	280	279	278	281	287	289	292	292	104
Tax-paid removals										
Cigarettes, small	Billion	32.9	32.6	27.4	32.9	37.2	33.6	25.1	36.0	109
Cigars, large	Million	551	613	432	453	550	632	365	437	96
Chewing and smoking	Mill. lb.	13.6	13.6	10.1	11.9	13.8	12.0	9.2	12.6	106
Snuff	Mill. lb.	3.2	3.3	3.1	3.4	3.5	2.9	2.5	3.3	97
Accumulated from Jan. 1										
Cigarettes, small	Billion	322	355	382	33	333	366	392	36	109
Cigars, large	Million	4,787	5,400	5,832	453	4,899	5,531	5,896	437	96
Chewing and smoking	Mill. lb.	132	145	155	12	123	135	144	13	108
Snuff	Mill. lb.	33	36	39	3	32	35	37	3	100
Tax-free removals										
Cigarettes, small	Billion	2	2	3	2	3	3	3	3	150
Cigars, large	Million	7	6	6	5	7	7	5	6	120
Chewing and smoking	Mill. lb.	.3	.3	.2	.2	.3	.3	.3	.3	150
Accumulated from Jan. 1										
Cigarettes, small	Billion	25	27	30	2	26	28	31	3	150
Cigars, large	Million	70	76	82	5	59	67	72	6	120
Chewing and smoking	Mill. lb.	3.5	3.8	4.0	.2	2.9	3.2	3.5	.3	150
Disposable personal income 2/	Bill. dol.			278.4				293.3		105
Index of industrial production 3/	1947-49=100	143	143	144	143	146	146	147	146	102
Employment	Million	65.2	64.8	64.2	62.9	66.2	65.3	64.6	62.9	100
Labor force employed	Percent	96.8	96.4	96.4	95.6	97.2	96.4	96.3	95.5	100
Exports (farm-sales wt.)										
Flue-cured	Mill. lb.	88.8	60.3	43.5	43.6	70.3	42.8	51.4	27.4	63
Burley	Mill. lb.	1.8	5.1	2.8	1.7	2.9	1.0	4.9	2.7	159
Maryland	Mill. lb.	1.4	1.3	.7	2.4	1.3	.6	1.2	.7	29
Fire-cured	Mill. lb.	2.7	3.7	1.9	3.1	2.9	2.1	2.2	1.7	55
Dark air-cured	Mill. lb.	.3	.5	.4	.3	.3	.8	2.7	1.0	333
Cigar	Mill. lb.	1.3	.6	.6	.4	.8	.7	1.9	.3	75
Accumulated from beginning of marketing yr. 4/										
Flue-cured	Mill. lb.	273.3	333.7	377.1	421.3	204.5	247.3	298.6	326.1	77
Burley	Mill. lb.	1.8	6.9	9.7	11.4	2.9	3.9	8.8	11.5	101
Maryland	Mill. lb.	1.4	2.7	3.4	5.8	1.3	1.9	3.1	3.8	66
Fire-cured	Mill. lb.	2.7	6.4	8.3	11.4	2.9	4.9	7.1	8.8	77
Dark air-cured	Mill. lb.	.3	.8	1.2	1.5	.3	1.1	3.8	4.8	320
Cigar filler and binder	Mill. lb.	.6	.8	1.1	1.1	.4	.9	2.3	2.4	218
Cigar wrapper	Mill. lb.	1.9	2.3	2.7	3.0	1.3	1.5	2.0	2.2	73
General imports, all commodities	Mill. dol.	1,011	1,065	1,008	1,073	1,116	984	1,052	1,135	106
Accumulated from Jan. 1	Mill. dol.	9,312	10,367	11,385	1,073	10,554	11,538	12,590	1,135	106
Sterling area gold and dollar reserves 5/	Mill. dol.	2,297	2,283	2,120	2,149	2,244	1,965	2,133	2,084	97
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mill. lb.	2,541			2,811	2,664			3,029	108
Burley	Mill. lb.	1,347			1,566	1,301			1,553	99
Maryland	Mill. lb.	84			78	77			73	94
Fire-cured	Mill. lb.	137			125	138			126	101
Dark air-cured	Mill. lb.	81			85	85			87	102
Cigar, filler	Mill. lb.	195			172	185			164	95
Cigar, binder	Mill. lb.	117			112	110			104	93
Cigar, wrapper	Mill. lb.	22			25	22			24	96

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Seasonally adjusted.

4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

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T H E T O B A C C O S I T U A T I O N
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Approved by the Outlook and Situation Board, March 21, 1957

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SUMMARY

The 1957 output of cigarettes--the leading outlet for flue-cured, burley, and Maryland tobacco-- is expected to be higher than the 424 billion turned out in 1956. Last year's total was 3 percent above 1955 and above any previous year except 1952 when output reached 435½ billion. The number of cigarettes consumed in the United States at 392 billion was 2½ percent above 1955 and 6 percent above 1954. Exports of cigarettes during 1956 were up a little from each of the previous 2 years, but other shipments, mostly to overseas forces, in both 1956 and 1955 were about one-fourth less than the 1950-54 average. The 1956 output of smoking tobacco for pipes and "roll-your-own" cigarettes at 71½ million pounds dropped 11 percent from 1955--the sharpest drop since immediately following World War II.

In the current marketing year, preliminary indications are that domestic use of flue-cured, burley, and Maryland tobacco will not be markedly different than in 1955-56. This is in spite of the increase in cigarette manufacture. In recent years, the amount of leaf tobacco used in cigarettes has become less standardized. Most filter brands, reported to be still expanding in production and use, require less tobacco than either regular or king size, nonfilter tip brands. This plus the use of tobacco sheet and stems, and improvements in processing techniques and machinery are enabling manufacturers to turn out more cigarettes from a given quantity of leaf tobacco.

The total supplies for 1956-57 of flue-cured and burley are about 3.7 and 1.8 billion pounds. The flue-cured supply is 4 percent greater than the previous high in 1955-56. Burley is a little below last year and about 3 percent below the peak 1954-55 level. The 1957 prospective acreage for flue-cured as of March 1 is 24 percent smaller than 1956 harvested acreage and reflects mainly the cut in acreage allotments. Placement of acreage in the reserve of the Soil Bank program also is contributing to the reduction. Growers signed up a total of over 78,000 acres of all types tobacco through March 15. About 45,600 acres were flue-cured, 6,760 acres burley and the remainder, other types. The 1957 prospective acreage for burley is almost as large as that harvested in 1956. Burley acreage allotments for most farms are unchanged from last year.

The carryover of flue-cured on July 1 will reach a new high. But total supply for 1957-58 may be about 7 percent lower than for 1956-57, because of the expected reduction in this year's crop. The carryover of burley probably will be a little lower at the outset of 1957-58 than a year earlier. The crop this year may be almost as much as in 1956, but domestic use may be a little higher. Total supply of burley for 1957-58, therefore, probably will be down a little from the current year's level.

The prices of 1956 crops of flue-cured and burley averaged 51.6 and 63.6 cents per pound, respectively. The flue-cured average was a little lower than in the previous three seasons, but the burley average was the highest on record. A record volume of flue-cured was placed under Government loan, but only a relatively small quantity of 1956 burley went under loan. Both crops will be supported this year at 90 percent of parity. Parity levels in February for flue-cured and burley were higher than in 1956, when last season's 90 percent support levels were set.

The supply of Maryland tobacco is up a little from a year ago. The 1956 crop will be marketed mostly this spring and summer. Government price supports are in effect for the first time since the 1953 crop. Acreage for 1957 is being reduced, and next year's supply should be lower than the current level.

Total 1956 cigar and cigarillo consumption in the United States and by overseas forces is estimated at 6.2 billion--about 1 percent more than in 1955 and 2 3/4 percent above 1954. Some additional increase seems likely during 1957.

Except for Pennsylvania filler, type 41, continental filler and binder types are under acreage allotments. The prospective 1957 acreage of Pennsylvania filler is the same as that harvested last year. The Puerto Rican filler crop now being harvested is estimated about one-tenth lower than last year. The prospective 1957 acreage of the binder types in the Connecticut Valley is down 17 percent from 1956, but in Wisconsin indicated acreage is up about 7 percent. The Soil Bank program has assisted materially in reducing acreage in the Connecticut Valley this season and last. The 1956-57 supply of all binder types combined is below any previous year, and the 1957-58 supply is

likely to be still lower. Manufactured or processed binder sheet continues to gain in use over natural leaf binders. The prospective 1957 acreage of shade-grown cigar wrapper tobacco is 2 percent lower than that harvested in 1956.

The 1956 outputs of chewing tobacco and snuff at 75.7 and 37.4 million pounds, respectively, were each about 5 percent lower than 1955. Use of chewing tobacco is likely to continue its long-term decline. But snuff consumption, on the whole, has been unusually steady for many years and a downward trend is not yet clearly evident.

Snuff and chewing are major domestic outlets for fire-cured and dark air-cured tobaccos, respectively. Chewing products also utilize some burley and a sizable quantity of cigar binder tobacco.

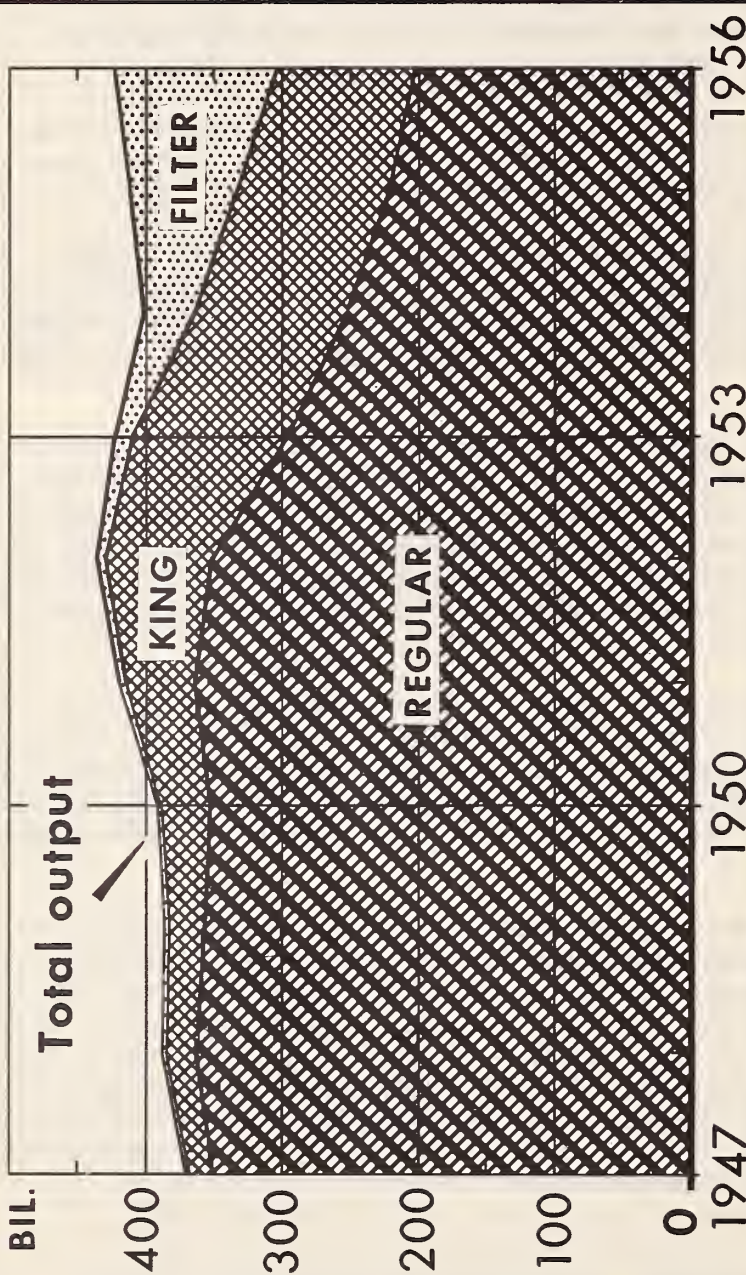
The 1956-57 total supply of fire-cured tobacco is the largest in 6 years. Prospective acreage this year is down 19 percent from 1956--reflecting the cut in acreage allotments and effects of the Soil Bank program. Due to an increase in carryover, the 1957-58 supply probably will be moderately less than 1956-57.

The 1956-57 total supply of dark air- and sun-cured tobacco is at a postwar high. The 1957 acreage of dark air-cured is indicated at 17 percent below that harvested in 1956. Acreage allotments for dark air-cured were cut, but those for sun-cured were nearly unchanged from a year ago. The 1957-58 total supply for these types may be almost the same as 1956-57, because the increase in carryover is likely to offset the reduction in this year's crop of dark air-cured tobacco.

Exports of unmanufactured tobacco in 1956 totaled 510 million pounds (575 million, farm-sales weight)--5½ percent below 1955. About 82 percent was flue-cured, and burley and fire-cured each accounted for about 6 percent. The 1947-56 yearly average of all types exported was 485 million pounds. About 12 percent of last year's total was shipped under P.L. 480 programs, compared with 8 percent in 1955.

Tobacco exports in the first 7 months of the current fiscal year were one-fifth lower than in the comparable period of 1955-56. Adversely affecting exports are higher prices in the last year or two for certain grades of flue-cured and burley, which normally have been sought by a number of foreign customers. In the case of flue-cured, a substantial volume with little flavor and aroma was produced in 1956, and both export and domestic buyers found it unsatisfactory. Government price supports on these varieties have been drastically cut, and this is expected to result in much more of the 1957 crop having the desired characteristics.

CIGARETTE OUTPUT



ESTIMATED DISTRIBUTION BY KIND OF CIGARETTE BASED ON SELECTED DATA FROM TRADE PUBLICATIONS

U. S. DEPARTMENT OF AGRICULTURE

NEG. 4016-57 (3)

AGRICULTURAL MARKETING SERVICE

Total cigarette output in 1956 at 424 billion was about 3 percent higher than 1955 and was exceeded only by the 1952 figure of 435½ billion. The number of regular size, nonfilter cigarettes has declined about 32 percent since 1953. The output of king size, nonfilter cigarettes has edged downward in the last 2 years after more than quadrupling from 1949 to 1953. On the other hand, the output of filter tip ciga-

rettes has climbed sharply in the last 3 years. Based on trade sources, it is estimated that while the proportion of regular cigarettes dropped from about 70 to 48 percent of the total from 1953 to 1956, filter tip cigarettes jumped from 3 percent to about 28 percent during the same period. King size, nonfilter cigarettes accounted for about 24 percent of the total in 1956 compared with 27 percent in 1953.

TOBACCO PRODUCTS

Cigarettes

The total number of cigarettes manufactured in 1956 was 424 billion--nearly 3 percent above 1955 and higher than any year except 1952, when output reached 435½ billion. Domestic consumption accounted for over nine-tenths of the output, and the remainder was mostly commercial exports and shipments for overseas forces. Cigarette consumption during 1957 is expected to continue to make gradual gains and reach a record high. Trade reports indicate that filter tip cigarettes continue to attract increasing numbers of smokers.

Tax-paid consumption last year in the United States (including Alaska and Hawaii) totaled nearly 392 billion--2½ percent greater than in 1955 and more than 6 percent above 1954. Only the 1952 figure of 394 billion was higher. The number of cigarettes exported during 1956 increased a little over each of the previous 2 years, but other shipments, mostly to overseas forces, in both 1956 and 1955 were about one-fourth less than the 1950-54 average.

The amount of leaf tobacco required for cigarettes has become less standardized in the last few years. Many filter tip brands utilize less tobacco than other regular or king size, nonfilter tip cigarettes. The use of tobacco sheet and stems and improvements in processing machinery also have enabled manufacturers to produce more from a given quantity of leaf tobacco. These developments make it possible for a larger number of cigarettes to be consumed without a proportionate increase in the total use of unstemmed tobacco.

Consumption of cigarettes per person (15 years and older including overseas forces) in 1956 totaled 3,426 (171 packages)--1 percent more than in 1955 and about 2½ percent more than in 1954. On the other hand, the unstemmed-weight equivalent for cigarettes in 1956 is estimated at 9.42 pounds per person--about 1 2/3 percent less than in 1955 and about 3 percent less than in 1954. (See table 3.)

Table 1.- Cigarettes: Total output, domestic consumption, and exports for specified periods

Period	Total output	Domestic consumption <u>1/</u>	Shipments and other <u>2/</u>	Exports
	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>	<u>Billions</u>
Average:				
1935-39	164.2	157.0	1.7	5.5
1940-44	256.9	223.5	27.5	5.8
1946	350.0	321.7	6.6	24.1
1947	369.7	335.4	11.5	22.8
1948	386.8	348.5	13.5	25.2
1949	385.0	351.8	13.7	19.5
1950	392.0	360.2	17.5	14.3
1951	418.8	379.7	22.1	16.8
1952	435.5	394.1	23.6	16.4
1953	423.1	386.8	20.8	16.2
1954	401.8	368.7	17.7	15.4
1955	412.3	382.1	15.2	15.1
1956 <u>3/</u>	424.2	391.6	15.3	15.7
	<u>Fiscal year</u>			
Year ending June				
1953	436.6	396.9	22.5	17.0
1954	413.6	377.7	19.9	15.6
1955	407.8	375.2	17.4	15.1
1956	416.8	387.1	14.5	15.3
1957 <u>4/</u>	430.0	399.0	15.0	16.0

1/ As indicated by tax-paid removals.

2/ Mainly to forces overseas, to United States possessions, and ships' stores.

3/ Subject to revision.

4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.- Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1949-53	1954	1955 <u>1/</u>	1956 <u>1/</u>	1956 as percentage of 1955
	Millions	Millions	Millions	Millions	Percent
Venezuela	1,323	1,541	1,744	1,953	112
Tangier-Fr. Morocco	1,755	1,504	1,144	1,751	153
Hong Kong	100	721	842	863	102
France	518	630	979	777	79
Sweden	605	690	679	769	113
British Malaya	564	438	511	687	134
Panama-Canal Zone	708	682	617	557	90
Germany	325	458	500	515	103
Spain	65	312	538	504	94
Belgium	873	848	507	487	96
Other countries <u>2/</u>	9,831	7,602	7,065	6,853	97
Total all countries	16,667	15,426	15,126	15,716	104

1/ Preliminary. 2/ Includes approximately 90 to 95 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

Tax data for the 42 States taxing cigarettes indicate that the increase in cigarette consumption have been rather general throughout the country. The average expenditure per package of cigarettes at the retail level has increased in the past year, primarily because (1) the tax per package in about one-fourth of the States was raised 1 or more cents; (2) consumers bought substantially more filter tip cigarettes, which are priced about 5 to 10 percent higher.

The House of Representatives has extended the 8 cent per package Federal tax on cigarettes until April 1, 1958. It was to have reverted to 7 cents on April 1 of this year. This is the fourth time there has been a postponement of the 1-cent reduction to the rate in effect prior to the Korean war.

Commercial exports of cigarettes were 4 percent higher in 1956 than in 1955. Increased shipments went mainly to Morocco, British Malaya, Venezuela, and Sweden. Cigarette exports are an outlet for roughly 45 to 50 million pounds of United States cigarette tobacco.

The number of military personnel stationed overseas is well below 3 or 4 years ago, and cigarette shipments for this outlet have been considerably lower in the last 2 years.

Table 3.--Tobacco products: Consumption per capita 15 years and over in the United States and by overseas forces, 1920-56

Year	Cigarettes	Cigars	Cigarettes	Cigars	Smoking, chewing, and snuff	Total tobacco products
	<u>Number</u>	<u>Number</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
1920	611	117.2	1.89	2.45	4.33	8.67
1921	681	94.0	2.07	2.00	4.14	8.21
1922	707	96.1	2.14	2.16	4.28	8.58
1923	836	96.4	2.51	2.21	4.26	8.98
1924	901	89.0	2.69	2.06	4.06	8.81
1925	996	86.7	2.96	1.99	4.03	8.98
1926	1,093	85.2	3.17	1.99	3.87	9.03
1927	1,174	82.9	3.42	1.93	3.61	8.96
1928	1,255	80.6	3.58	1.91	3.44	8.93
1929	1,381	79.9	3.91	1.86	3.44	9.21
1930	1,365	71.6	3.84	1.67	3.34	8.85
1931	1,287	64.3	3.63	1.53	3.29	8.45
1932	1,147	52.4	3.21	1.24	3.19	7.64
1933	1,230	50.8	3.49	1.23	3.07	7.79
1934	1,368	53.0	3.94	1.29	3.11	8.34
1935	1,442	53.8	4.11	1.30	2.80	8.21
1936	1,618	57.3	4.61	1.40	2.81	8.82
1937	1,704	57.8	4.81	1.40	2.74	8.95
1938	1,687	55.5	4.76	1.31	2.68	8.75
1939	1,754	55.9	4.95	1.32	2.56	8.83
1940	1,824	56.3	5.16	1.36	2.60	9.12
1941	2,065	58.8	5.95	1.42	2.41	9.78
1942	2,393	58.6	7.01	1.41	2.27	10.69
1943	2,745	52.4	7.99	1.28	2.19	11.46
1944	2,831	49.2	8.04	1.22	1.96	11.22
1945	3,222	52.2	9.15	1.26	2.05	12.46
1946	3,230	56.1	9.24	1.37	1.59	12.20
1947	3,202	52.3	9.16	1.29	1.50	11.95
1948	3,292	53.0	9.35	1.31	1.46	12.12
1949	3,274	50.8	9.33	1.16	1.44	11.93
1950	3,320	50.1	9.36	1.18	1.42	11.96
1951	3,527	51.4	9.98	1.19	1.31	12.48
1952	3,661	53.3	10.41	1.26	1.25	12.92
1953	3,558	53.6	10.46	1.26	1.18	12.90
1954	3,339	52.2	9.73	1.22	1.16	12.11
1955	3,387	52.5	9.58	1.21	1.15	11.94
1956 3/	3,426	52.6	9.42	1.19	1.07	11.68

1/ Weighing more than 3 pounds per 1,000 including cigarillos. 2/ Unstemmed-processing weight. 3/ Preliminary.

Note: Data are not available to adjust for quantities lost, destroyed, bartered, etc., under war and postwar conditions but such adjustments probably would be small in relation to totals.

Cigars

Total 1956 cigar and cigarillo consumption in the United States and by overseas forces is estimated at 6.2 billion--about 1 percent more than in 1955 and 2 3/4 percent above 1954. If disposable income continues high, a small additional increase seems likely during 1957. Domestic factories produce the great bulk of the cigars and cigarillos consumed in this country. Total domestic output has remained virtually the same in the past 2 years, so that increased factory removals could only have come from inventories. Output of bonded manufacturing warehouses (which use only imported tobacco) increased, as well as shipments from Puerto Rico and imports from Cuba. Shipments for overseas forces decreased, reflecting the smaller number stationed abroad.

The number of cigars and cigarillos consumed per person (15 years and older) last year is estimated at 52.6, close to that in 1955. The unstemmed-weight equivalent of the tobacco in these cigars is estimated at 1.19 pounds per person--about 1 2/3 percent less than in 1955 and 2 1/2 percent less than in 1954. This reflects in part the increased proportion of cigarillos, which are substantially lighter in weight than the traditional average cigar. The lighter weight also reflects, to some extent, the reduced requirement for unstemmed binder when homogenized or reconstituted binder is substituted.

Official statistics on the number of cigarillos as distinguished from cigars are not available, but trade reports during 1956 indicated substantial relative increases. Substitution of homogenized and reconstituted cigar binder for natural leaf binder also expanded appreciably in 1956, and further expansion will take place this year.

According to the Bureau of Labor Statistics data, wholesale prices for cigars changed only slightly in the last several years. During 1956, they averaged 2 percent above 1952 and nearly 5 percent above 1947.

Cigars from domestic factories and which retailed for 4.1-8.0 cents in 1956 comprised 49 percent of the total. A sizable proportion of these were cigarillos. About 43 percent of the total sold for 8.1-15.0 cents. This group included the major popular brands selling for 10 cents apiece. About 4 percent of all domestically produced cigars sold for 4 cents or less, and another 4 percent sold for more than 15 cents apiece.

The great majority of cigars made in custom bonded warehouses retail at more than 15 cents apiece, and the predominant proportion of imported Cuban cigars retail at more than 20 cents apiece. Cigars shipped in from Puerto Rico fall almost entirely within the 8.1-15 cents retail price bracket.

Smoking Tobacco

The 1956 output of smoking tobacco for pipes and "roll-your-own" cigarettes was 71 1/2 million pounds--nearly 11 percent smaller than in 1955 and the sharpest decline since immediately following World II. Nearly all of the

Table 4.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufac- turing ware- house	Imports for consump- tion		From Puerto Rico: Tax- paid with- drawals in United States	Total tax-paid consump- tion
	Total	Tax-paid	Tax-free	Tax-paid	Total	From		
	output	remov- als	remov- als	remova- als	<u>2/</u>	Cuba		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	192.4	3.0	27.4	5,346
1940-44	5,450	5,282	199	105	93.7	15.3	11.6	5,492
1946	5,618	5,621	26	125	22.2	20.1	77.8	5,846
1947	5,488	5,460	41	124	12.5	9.1	6.2	5,603
1948	5,645	5,588	38	140	11.8	10.3	5.0	5,745
1949	5,453	5,399	46	142	10.9	10.2	4.6	5,556
1950	5,399	5,365	47	160	11.9	11.1	.7	5,538
1951	5,594	5,518	85	177	14.3	13.0	.7	5,710
1952	5,825	5,755	102	196	14.6	12.5	1.9	5,968
1953	5,915	5,820	90	205	16.8	13.4	9.9	6,052
1954	5,820	5,690	89	206	16.3	12.3	49.5	5,962
1955	5,776	5,831	82	227	20.3	14.7	84.3	3/6,080
1956 <u>4/</u>	5,768	5,896	72	233	22.8	18.4	93.2	3/6,145
Fiscal year								
Year ending June								
1952	5,685	5,619	87	193	14.4	13.0	.7	5,827
1953	5,911	5,789	94	203	15.6	12.6	3.3	6,011
1954	5,849	5,736	101	199	16.2	12.6	30.0	5,981
1955	5,783	5,714	82	222	16.5	12.7	66.4	6,019
1956	5,806	6,030	74	231	20.9	15.0	95.0	n.a.

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Adjusted for estimated withdrawals from market and duplications in factory removals. 4/ Subject to revision.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

output is consumed in this country. Indications have been that use of "roll-your-own" cigarettes has been diminishing steadily, and this seems likely to continue. Reasons for pipe smoking tend to fall into two broad categories, preference or economy. When incomes improve for those falling in the latter category, they may be expected to turn to cigarette or cigar smoking. Incomes in the United States are expected to continue at a relatively high average, and there appears to be little prospect for a significant upturn in smoking tobacco consumption. Further decline during 1957 seems more likely.

Wholesale prices of smoking tobacco have been nearly steady for several years. However, an increase was announced recently on a major brand. Retail prices paid in rural areas have also remained virtually unchanged.

Exports of packaged smoking tobacco during 1956 totaled 607,000 pounds valued at 670,000 dollars. Volume was one-tenth larger than in 1955. About one-half went to Canada, Denmark, and Sweden, and the remainder to many other destinations.

The 1956 exports of manufactured tobacco in bulk form (largely not included in total output as recorded by Internal Revenue Service) totaled 5.7 million pounds and were valued at 4.4 million dollars. Although 1956 tobacco exports in this classification were about 9 percent lower than in 1955, they were second highest on record and substantially above most other years. Principal destinations were Spain, Mexico, Haiti, Philippine Republic, Panama, Bolivia, Dominican Republic, Ecuador, and Viet Nam. Shipments to Australia dropped sharply from 1955 to 1956, over 1 million pounds. But this was partly offset by increases to Spain, Panama, and Haiti.

Chewing Tobacco

The 1956 output of chewing tobacco was close to 75 $\frac{3}{4}$ million pounds--5 percent less than in 1955 and the smallest in over 50 years. Rate of decline from 1955 to 1956 was greater than for several years. The down-trend is expected to continue in 1957 and the years ahead.

Output of plug chewing (accounting for 44 percent of all chewing tobacco) fell 10 percent from 1955 to 1956 and was 26 percent below the 1947-49 average. Scrap chewing (accounting for 47 percent of all chewing tobacco) declined only about 1 percent in the past year but was 14 percent below the 1947-49 average. The smaller categories, twist and fine-cut (accounting for the remaining 9 percent), also declined and were 22 and 12 percent, respectively, below their 1947-49 averages.

The wholesale price of plug chewing, after remaining virtually unchanged for many years, advanced 12 percent in late 1956 according to the Bureau of Labor Statistics.

Exports of chewing tobacco totaled nearly 1 $\frac{2}{3}$ million pounds in 1956--6 percent more than in 1955 but 22 percent below the relatively high 1954 figure. Australia--accounting for three-fifths of the total--took a little

Table 5.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956 1/	71.5	33.0	4.3	2.9	35.5	75.7	37.4
Fiscal year							
Year ending June							
1953	92.3	38.5	4.9	2.8	37.5	83.7	38.1
1954	83.1	37.6	4.7	2.9	37.5	82.7	39.0
1955	85.0	36.5	4.8	3.0	36.5	81.1	39.0
1956	74.0	34.0	4.3	2.9	36.1	77.3	38.4
1957 2/	70.0	32.8	4.2	2.9	34.6	74.5	37.0

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

more than in 1955. More also went to the next ranking destination, the Philippine Republic. The principal chewing tobacco exports are twist and plug.

Snuff

The 1956 output of snuff was 37.4 million pounds--about $4\frac{1}{2}$ percent below 1955 and a postwar low. Practically all snuff output is consumed in this country. Ordinarily a remarkably stable product, the 1.8 million pound

drop in output from 1955 to 1956 was the sharpest since the 4.4 million pound decline from 1945 to 1946. In most years from 1946 to 1955, output of snuff fluctuated within 1 million of the 10-year average of 39.5 million pounds.

According to BLS data, manufacturers' prices of snuff, after increasing 2 percent in August 1955, remained unchanged through 1956.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

During calendar year 1956, exports of unmanufactured tobacco totaled 510 million pounds-- $5\frac{1}{2}$ percent lower than in 1955. The declared value of tobacco exports in 1956 was 333 million dollars, compared with the record high of 365 million in 1955. Beginning in 1947 and through 1955, exports of tobacco in 5 of the years were smaller than in 1956 and were larger in 4. Average for the 1947-56 period was 485 million pounds.

The Public Law 480 sales of tobacco for foreign currencies contributed significantly to the levels of tobacco exports in both 1955 and 1956. Shipped under the programs during 1955 were about 44 million pounds--8 percent of the total to all countries--and in 1956, about 63 million pounds--12 percent of the overall total. (See table 7.) Under existing authorizations, about 30 million pounds more are expected to be shipped during the first half of 1957 and agreements have been signed for about another 10 million, but authorizations have not yet been issued.

The President has recommended that Title 1 of the Agricultural Trade Development and Assistance Act (under which sales for foreign currencies are negotiated) be extended for 1 year beyond its present expiration on June 30, 1957. Also recommended was a one billion dollar increase in authority. Several bills providing for an extension of these programs and authorizing additional funds have been introduced in the House and Senate.

The continuing upward trend of cigarette consumption in many foreign countries is favorable to United States tobacco exports, particularly flue-cured, burley, and Maryland. On the other hand, the higher prices have discouraged purchases in the last year or two of certain grades of flue-cured and burley, which normally have been sought by a number of foreign customers. The strong demand for heavier bodied, aromatic, and usually medium-priced tobaccos by domestic companies advanced prices sharply in the recent season. The presumption is that the domestic companies wanted these tobaccos because of their suitability for filter tip cigarettes.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 6.- United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)						
	July-January						
	Average 1949-53	1954	1955 1/	1956 1/	1955-56 1/	1956-57 1/	1956-57 as percentage of 1955-56
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	392.2	374.8	456.5	420.4	374.3	288.8	77
Burley	30.0	29.6	31.3	29.2	17.2	17.4	101
Maryland	7.3	8.7	8.4	12.1	7.5	6.3	84
Va. fire-cured and sun-cured	4.9	4.0	4.4	4.4	3.8	2.5	66
Ky. and Tenn. fire-cured	24.6	20.9	21.4	24.2	12.5	12.8	102
Green River	2.1	2.1	1.8	1.3	.2	.9	450
One Sucker	2.9	.9	1.7	2.3	.1	2.8	---
Black Fat, etc.	4.1	4.5	5.3	4.6	2.9	2.6	90
Cigar wrapper	3.9	3.4	4.2	3.9	2.7	2.0	74
Cigar binder	3.7	1.7	1.7	3.1	1.3	2.0	154
Cigar filler	2.6	.2	.2	.8	.2	.5	250
Perique	.1	.1	.1	.1	2/	2/	---
Stems, trimmings, and scrap	4.2	2.7	3.3	4.0	1.8	2.7	150
Total	482.6	453.6	540.3	510.4	424.5	341.3	80
Country of destination:							
United Kingdom	151.6	150.0	183.9	156.4	184.2	125.9	68
France	9.1	12.6	7.9	6.4	2.5	2.9	116
Belgium	20.8	12.5	25.0	21.5	16.3	12.1	74
Netherlands	32.9	38.1	31.0	33.2	24.1	19.2	80
Germany, W. and E.	73.6	43.4	59.2	69.7	34.2	30.9	90
Portugal	7.3	7.4	6.9	7.9	1.8	3.0	167
Denmark	11.4	9.6	12.3	12.4	8.6	10.1	117
Ireland	18.9	14.1	12.8	8.8	10.0	8.5	85
Switzerland	12.0	11.7	10.8	13.5	9.7	7.3	75
Norway	7.4	7.6	7.8	8.5	5.1	4.7	92
Sweden	11.5	9.6	11.3	14.4	10.4	13.2	127
Italy	3.2	3.9	4.5	6.6	3.8	4.9	129
Hong Kong	4.7	3.5	4.3	3.7	2.1	2.4	114
Australia	21.7	28.2	31.6	23.2	28.3	20.7	73
India-Pakistan	5.4	3.5	5.6	4.3	1.7	3.3	194
New Zealand	6.2	6.6	7.6	7.1	3.8	3.3	87
Philippine Rep.	17.7	19.5	21.5	2.3	12.5	.9	7
Indonesia	10.3	10.3	9.9	17.8	7.7	13.3	173
Japan	3.8	6.7	17.5	5.8	12.7	7.0	55
Other countries	53.1	54.8	68.9	86.9	45.0	47.7	106
Total	482.6	453.6	540.3	510.4	424.5	341.3	80

1/ Preliminary.

2/ Less than 50,000 lbs.

Compiled from publications and records of the Bureau of the Census.

Table 7.--Tobacco: Exports under P. L. 480 programs and totals, by countries, 1955 and 1956

Country	1955			1956		
	P.L. 480: Regular: Total			P.L. 480: Regular: Total		
	exports	exports	exports	exports	exports	exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
United Kingdom	22.4	161.5	183.9	16.3	140.1	156.4
Indonesia	---	9.9	9.9	13.2	4.6	17.8
Japan	6.6	10.9	17.5	3.2	2.6	5.8
Finland	3.9	1.4	5.3	5.4	1.0	6.4
Italy	3.6	.9	4.5	3.3	3.3	6.6
Spain 1/	1.2	4.9	6.1	4.9	.9	5.8
Korea	---	---	---	6.1	---	6.1
Austria	.7	5.1	5.8	4.9	4.1	9.0
Pakistan	1.6	1.0	2.6	2.4	.3	2.7
Thailand	2.6	6.0	8.6	---	8.8	8.8
Taiwan	---	2.2	2.2	1.5	2.2	3.7
France	.9	7.0	7.9	---	6.4	6.4
Israel	.3	.2	.5	.3	.1	.4
Burma	---	---	---	.6	---	.6
Ecuador 1/	---	2/	2/	.3	---	.3
Chile	---	.1	.1	.2	---	.2
Brazil	---	.1	.1	.1	---	.1
Total above countries	43.8	211.2	255.0	62.7	174.4	237.1
Total all countries 3/			540.3			510.4

1/ Includes manufactured tobacco in bulk form. 2/ Less than 50,000 pounds.
3/ Unmanufactured tobacco.

In the case of flue-cured, a large volume of pale-colored flue-cured with little flavor and aroma was produced in 1956, and both export and domestic buyers found it unsatisfactory. Price supports on varieties of tobacco producing a high proportion of these qualities have been drastically cut to discourage their production. This is expected to result in much more of the 1957 crop having the desired characteristics.

The general economic factors continue to favor tobacco exports. Industrial activity in Western European countries continues high. United States total imports--the main dollar source to foreigners--were record high in 1956 and 11 percent above 1955.

The United Kingdom, as usual, was the leading export outlet for tobacco in 1956, accounting for nearly 31 percent of the total. However, total takings of the United Kingdom from this country were 15 percent smaller than a year earlier. Germany, the second ranking importer, accounted for nearly 14 percent of the total and took 18 percent more than in 1955. The Netherlands, ranking

Table 8.- United States exports of unmanufactured tobacco to principal importing countries, averages 1934-38, and 1940-44, annual 1945-56

(Declared weight)

Country	Average : 1934-38 :	Average : 1940-44 :	1945 :	1946 :	1947 :	1948 :	1949 :	1950 :	1951 :	1952 :	1953 :	1954 :	1955 :	1956 :
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
United K.	213.9	171.5	292.5	364.3	198.0	167.0	167.3	133.1	223.4	54.7	179.7	150.0	183.9	156.4
Germany	12.8	0	0	0	3.0	26.4	86.8	81.8	47.7	79.6	71.9	43.4	59.2	69.7
Netherlands	15.6	1.0	4.6	29.4	55.9	23.4	33.8	32.2	24.3	36.2	38.1	38.1	31.0	33.2
Ireland	7.4	6.9	11.8	15.4	15.5	12.2	25.4	17.6	17.6	16.4	17.5	14.1	12.8	8.8
Belgium	15.5	.9	6.1	29.2	19.9	18.0	18.4	27.7	29.6	15.6	12.6	12.5	25.0	21.5
France	21.0	3.4	48.2	27.7	10.2	.7	15.8	8.5	10.0	6.7	4.7	12.6	7.9	6.4
Switzerland	3.8	5.1	7.8	15.8	10.8	15.3	10.7	14.4	12.4	10.7	11.9	11.7	10.8	13.5
Sweden	7.2	4.9	11.8	12.1	16.6	11.1	5.8	13.7	15.0	13.0	10.2	9.6	11.3	14.4
Denmark	4.6	.3	2.1	5.2	10.1	10.1	11.6	14.8	9.1	9.5	11.8	9.6	12.3	12.4
Norway	4.7	.2	6.2	10.9	6.9	11.1	7.4	7.7	6.6	7.8	7.4	7.6	7.8	8.5
Portugal	4.8	5.9	5.7	10.0	6.9	11.8	11.1	7.5	6.0	5.0	6.9	7.4	6.9	7.9
Italy	1.1	.1	0	.3	23.3	4.5	2.5	2.6	2.2	2.9	5.6	3.9	4.5	6.6
Spain	5.3	.3	.7	.8	0	.5	.3	.5	6.1	.9	3.7	2.9	4.8	4.3
Austria	.3	0	0	0	0	4.5	5.9	6.5	4.1	5.2	3.3	1.9	5.8	9.0
Finland	1.1	.6	0	1.8	.6	1.6	2.2	2.2	3.7	3.5	3.3	6.0	5.3	6.4
Australia	18.4	18.1	22.8	17.3	24.3	19.1	19.6	18.1	20.3	24.0	26.7	28.2	31.6	23.2
Philippine R.	1.2	.8	.2	.1	2/	.2	1.1	27.1	9.5	29.7	20.9	19.5	21.5	2.3
Indonesia 3/	2.0	2.3	0	.4	3.3	4.4	5.4	7.4	12.2	13.6	13.0	10.3	9.9	17.8
New Zealand	2.5	5.1	5.9	6.4	5.3	4.0	6.2	6.5	7.1	5.4	5.8	6.6	7.6	7.1
Hong Kong	1.6	3.8	0	5.4	3.2	5.8	6.1	5.2	4.6	3.6	4.1	3.5	4.3	3.7
India-Pak.	2.6	10.1	16.1	10.6	11.4	10.1	6.9	5.5	6.1	5.8	2.9	3.5	5.6	4.3
Japan	7.3	0	0	0	0	0	0	0	1.9	7.4	9.5	6.7	17.5	5.8
Thailand 4/	2.9	1.4	0	4.0	1.4	1.8	2.6	4.4	6.3	6.1	6.6	4.6	8.6	8.8
China	48.2	20.2	.6	61.8	39.8	28.4	3.2	.3	0	0	0	0	0	0
Egypt	1.1	4.1	6.7	3.8	3.0	1.9	6.0	4.0	3.8	3.2	5.6	5.7	9.5	6.2
Other countries	30.4	16.3	22.5	30.5	37.9	32.7	36.1	28.3	32.5	30.0	35.0	33.7	34.9	52.2
Total	437.3	283.3	472.3	663.2	507.3	426.6	498.2	477.6	522.1	396.5	518.7	453.6	540.3	510.4

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Formerly Netherlands Indies. 4/ Formerly Siam.

Compiled from publications and records of the Bureau of the Census.

third, took about 7 percent more than in 1955; but Australia, ranking fourth, took 27 percent less than the record quantity going there in 1955. Belgium, ranking fifth, took 14 percent less in 1956 than in 1955, which was the highest year out of the last five for that country.

The sharpest declines in tobacco exports from this country between 1955 and 1956 were to the Philippine Republic and Japan, both of which have stepped up their own production very substantially in recent years. There was a sharp increase in shipments to Indonesia, and the 1956 total was a record--nearly one-third above the previous high of 1952.

In 1956, flue-cured made up 82 percent of total unmanufactured tobacco exports, and burley and fire-cured about 6 percent each. The 1956 exports of flue-cured at 420 million pounds were 8 percent lower than in 1955 when shipments were the second highest on record. Exports of burley at 29 million pounds in 1956 declined 7 percent below 1955, but exports of Maryland rose 44 percent. Exports of Kentucky-Tennessee fire-cured rose 13 percent from 1955 to 1956, but Virginia fire-cured exports held even. There were decreases for Black Fat and Green River but an increase for One Sucker. More cigar binder and filler were exported in 1956 than in 1955 but a little less shade-grown wrapper.

Major Foreign Countries Exporting Tobacco

Among foreign countries that export a substantial volume of tobacco, the Central African Federation (Rhodesia and Nyasaland), Canada, and India all export substantial quantities of flue-cured. The auctions for the Southern Rhodesian crop just harvested began on March 12. Last season, the flue-cured crop averaged an equivalent of about 38 cents, the lowest for several years. From last year's sales, the United Kingdom bought about 88 million pounds--20 million more than in the preceding year. The 1956-57 crop of Rhodesia and Nyasaland is estimated at about 185 millions pounds--nearly one-eighth less than 1955-56. The flue-cured crop estimated at about 154 million pounds is 14 percent lower than the record production of a year earlier. Most of the decline is due to lower yields per acre.

The 1956 crop of flue-cured in India is estimated to have been about 128 million pounds, practically the same as in each of the preceding 3 years.

In Canada, the 1956 tobacco production totaled about 168 million pounds of which 154 million were flue-cured. Prices for the 1956 flue-cured crop in Ontario, where the great bulk of Canadian flue-cured is grown, averaged about 47½ cents--4 percent above a year earlier.

Turkey and Greece are both large exporters of oriental types of tobacco. The 1956 production estimates for Turkey and Greece are 249 and 181 million pounds, respectively. Turkish production is about 6 percent lower than the high 1955 figure, but Greek production is down about 15 percent from the record high of a year earlier. The Greek crop was reduced by dry weather but has a high percentage of higher grades.

British Tobacco Situation

The gross clearances of tobacco--an approximate measure of home use and exports combined--in the United Kingdom totaled nearly 300 million pounds in 1956-- 1 1/2 million more than in 1955 and 10 million more than in 1954. About four fifths of the gross clearances was unstemmed tobacco and one-fifth was stemmed tobacco. Indications are that gross clearances of United States flue-cured were approximately the same in 1956 as a year earlier and accounted for about 48 percent of the total clearances of all types. Gross clearances of Rhodesian, Indian, and Canadian flue-cured also increased--most of the increase being in the Rhodesian. Flue-cured from these three Commonwealth areas accounted for about 41 percent of the total. The 1956 gross clearances of fire-cured, oriental, and air- and sun-cured were smaller than in 1955.

British home consumption of tobacco products totaled about 236 million pounds in 1956 also 1955. Except for 1946 these were the two highest years in history.

British exports of manufactured tobacco in 1956 totaled nearly 45 million pounds--slightly above a year earlier and 8 percent higher than 2 years earlier. Cigarettes compose more than nine-tenths of total tobacco exports. Leading destinations are Singapore, Federation of Malaya, Western Germany, Belgian Congo, Gold Coast, Hong Kong, Aden, New Zealand, Saudi Arabia, and France.

Stocks of unmanufactured tobacco in the United Kingdom totaled 522 million pounds on December 31, 1956, and were 3 percent above a year earlier and 11 percent above two years earlier. The 1956 year end stocks represent about 20.8 months' use compared with 20.3 at the end of 1955 and 18.9 at the end of 1954. More detailed data available for stocks as of November 30, 1956, indicate that stocks of United States flue-cured at 263 million pounds--4 $\frac{1}{2}$ percent larger than a year earlier. On that same date, stocks of flue-cured from Rhodesia, India, and Canada were 107, 62, and 33 million, respectively. They were 7 and 14 percent higher than a year earlier for Rhodesia and Indian flue-cured but down 20 percent for Canadian flue-cured. Stocks of the non-flue-cured tobaccos were smaller than a year earlier.

Tobacco imports into the United Kingdom in 1956 totaled 318 million pounds--7 $\frac{1}{2}$ percent less than in 1955 but slightly larger than in 1954 and 1953. Over 92 percent of the 1956 total was flue-cured of which about three-fourths was unstemmed and the other one-fourth entered in the form of strips. Tobacco imports from the United States and Canada declined, but shipments coming from Rhodesia and Nyasaland increased sharply and were at a record high; also, more came from India. (See table 9.)

The United Kingdom collected 637 million pounds sterling (equivalent to about 1.9 billion dollars) in import duties on tobacco in 1956. This was 4 percent higher than in 1955. The rate of duty on tobacco was increased about 5 percent last April and then reflected **in retail prices of tobacco**

Table 9.- Unmanufactured tobacco imports into the United Kingdom from major sources, average 1935-39, annual 1947-56

Period	: Rhodesia:	: and	: India	: Canada	: Turkey	: Greece	: Other	: Total
	: United	: Nyasa-						
	: States	: land						
	: Million	: Million	: Million	: Million	: Million	: Million	: Million	: Million
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Average 1935-39	: 200.8	: 28.1	: 19.6	: 14.3	: 0.6	: 0.6	: 5.2	: 269.2
1947	: 201.2	: 34.9	: 22.9	: 22.2	: .4	: 10.5	: 3.5	: 295.6
1948	: 172.4	: 58.0	: 22.8	: 12.7	: 10.2	: .1	: 4.6	: 280.8
1949	: 154.1	: 64.2	: 38.4	: 13.0	: 20.0	: 5.8	: 5.7	: 301.2
1950	: 143.7	: 78.5	: 48.1	: 15.8	: 10.8	: 1.0	: 7.9	: 305.8
1951	: 212.0	: 66.5	: 40.1	: 21.6	: 3.2	: 1.3	: 10.2	: 354.9
1952	: 66.8	: 70.2	: 38.3	: 32.7	: .6	: 1.2	: 13.9	: 223.7
1953	: 174.2	: 68.2	: 31.4	: 24.1	: 2.4	: .8	: 14.7	: 315.8
1954	: 159.7	: 76.8	: 36.2	: 24.9	: 2.8	: 1.4	: 10.7	: 312.5
1955	: 178.6	: 72.1	: 36.4	: 40.0	: 3.1	: 1.5	: 12.0	: 343.7
1956 ^{1/}	: 160.3	: 84.4	: 40.0	: 21.7	: 2.6	: 1.4	: 8.0	: 318.4
Percentage change								
	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent
Average 1935-39 to 1956	: -20.2	: 200.4	: 104.1	: 51.7	: 333.3	: 133.3	: 53.8	: 18.3
1955 to 1956	: -10.2	: 17.1	: 9.9	: -45.8	: -16.1	: -6.7	: -33.3	: -7.4
Percentage distribution								
	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent
Average 1935-39	: 74.7	: 10.4	: 7.3	: 5.3	: .2	: .2	: 1.9	: 100.0
1947	: 68.1	: 11.8	: 7.7	: 7.5	: .1	: 3.6	: 1.2	: 100.0
1948	: 61.5	: 20.7	: 8.1	: 4.5	: 3.6	: ---	: 1.6	: 100.0
1949	: 51.3	: 21.3	: 12.7	: 4.3	: 6.6	: 1.9	: 1.9	: 100.0
1950	: 47.0	: 25.7	: 15.7	: 5.2	: 3.5	: .3	: 2.6	: 100.0
1951	: 59.7	: 18.7	: 11.3	: 6.1	: .9	: .4	: 2.9	: 100.0
1952	: 29.9	: 31.4	: 17.1	: 14.6	: .3	: .5	: 6.2	: 100.0
1953	: 55.2	: 21.6	: 9.9	: 7.6	: .8	: .3	: 4.6	: 100.0
1954	: 51.1	: 24.6	: 11.6	: 8.0	: .9	: .4	: 3.4	: 100.0
1955	: 52.0	: 21.0	: 10.6	: 11.6	: .9	: .4	: 3.5	: 100.0
1956	: 50.4	: 26.5	: 12.6	: 6.8	: .8	: .4	: 2.5	: 100.0

^{1/} Preliminary.

products sold. Of total consumer expenditures for tobacco products in the United Kingdom, roughly three-fourths goes ultimately to pay the duties levied on tobacco leaf imports.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Imports of foreign grown tobacco into the United States in 1956 were at a record level of nearly 121 million pounds valued at 90 million dollars. The volume was up 9 percent from 1955, and the total value was up $6\frac{1}{2}$ percent.

Imports of cigarette leaf, accounting for 73 percent of total imports, rose 5 percent to a new record in 1956. On January 1, 1957, stocks of foreign grown cigarette and smoking tobacco in this country totaled nearly 170 million pounds--3 percent less than a year earlier.

The total pounds of cigar leaf (filler) imported were practically the same in 1956 as in 1955, but the proportion of stemmed tobacco was larger. Imports of scrap tobacco, also largely used in cigars, rose sharply from 1955 to 1956. Scrap from Cuba increased one-fifth and from the Philippine Republic, more than doubled. Imports of cigar wrapper declined from 1955 to 1956. Although more wrapper came from Cuba, imports from Indonesia have diminished to almost negligible amounts.

The January 1, 1957, stocks in this country of Cuban tobacco at 14.9 million pounds were 13 percent below a year earlier, but stocks of Philippine tobacco at 6.5 million pounds were more than five times higher than a year earlier and well above any level since 1941. The January 1 stocks of Indonesian tobacco at about 99,000 pounds were only about one-eighth as much as a year earlier.

Imports from Cuba of stems not cut, ground, or pulverized have become significant in the last 3 years; they increased about one-third from 1955 to 1956.

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Prices

The season average price received by growers for their 1956 flue-cured crop was 51.6 cents per pound--2 percent lower than in each of the 3 previous seasons. The average price in the Georgia-Florida Belt was up a little from 1955, but the averages in the Border Belt, Middle Belt, and Eastern North Carolina were down 1 to 2 percent. In the Old Belt, 1956 prices averaged nearly 7 percent below the record 1955 level.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 10.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)							
Classification and country of origin	Average 1949-53	1954	1955 1/	1956 1/	July-December		
					1955 1/	1956 1/	1956 as per- centage of 1955
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	46.3	56.0	57.7	61.5	28.8	30.4	106
Greece	10.8	15.6	17.9	18.9	9.2	9.7	105
Syria	3.7	2.9	2.4	1.6	1.1	.7	64
Italy	.9	1.9	1.5	1.8	.6	.9	150
Malta	.2	.2	.3	.5	.1	.2	200
Yugoslavia	.5	2.3	1.5	2.9	1.5	2.0	133
Total 2/	73.4	79.3	83.7	88.0	41.7	44.3	106
Cigar leaf (filler)							
Cuba:							
Stemmed	10.7	9.1	8.8	9.2	4.2	4.4	105
Unstemmed	4.1	4.7	5.0	3.8	2.0	1.8	90
Philippines, Rep.:							
Stemmed	.6	3/	0	.4	0	.4	---
Unstemmed	.2	0	0	.5	0	0	---
Total 2/	15.6	13.9	13.8	13.9	6.2	6.6	106
Scrap:							
Cuba	6.6	9.7	9.4	11.3	4.8	5.4	112
Philippines, Rep.	.8	1.4	2.5	5.6	1.8	3.5	194
Total 2/	7.5	11.1	11.8	17.0	6.6	8.9	135
Cigar wrapper (unst.):							
Indonesia	.7	.4	.3	.1	.1	3/	---
Cuba	.3	.5	.5	.6	.2	.3	150
Total 2/	1.0	.9	.8	.7	.4	.4	100
Stems 4/							
Cuba	3/	.6	.6	.8	.3	.6	200
United Kingdom	.3	.6	.5	.5	.2	.2	100
Total 2/	.7	1.2	1.1	1.3	.5	.8	160
Total imports	98.2	106.4	111.2	120.9	55.4	61.0	110

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

The Government support level for the 1956 crop was 48.9 cents per pound. The 1957 support level will be 90 percent of the applicable parity price. Using the February 1957 parity as an illustration, the parity price for flue-cured is calculated as follows:

1. The season average price for flue-cured averaged for the most recent 10 years (1947-56) is divided by the average of the index (1910-14=100) of all prices received by farmers in the same 10 calendar years to arrive at an "adjusted base price."

1947-56 average flue-cured	50.6	=	19.1 cents--	"adjusted
1947-56 average, index of all prices	265			based price"
2. The "adjusted base price" is multiplied by the February 1957 parity index (1910-14 = 100)--that is, the index of prices paid by farmers including interest, taxes, and wage rates.

19.1 cents--"adjusted base price"	
x 294	
56.2	cents per pound--February 1957 parity price for flue-cured

The "adjusted base price" remains constant during a particular year (in this case, 1957), but the parity price will change from month to month if the parity index changes.

The February 1957 flue-cured parity at 56.2 cents is $3\frac{1}{2}$ percent higher than it was in June 1956, which was the basis for computing the 90 percent support level for the 1956 crop.

A minimum support level is announced before planting season. In recent years, the minimum supports have been 90 percent of the parity prices calculated at the end of March.

The actual support level for 1957 flue-cured will be either the minimum level announced prior to planting or 90 percent of the July 1 parity, whichever is higher. In 1956, the July 1 figure exceeded the previously announced minimum and thus became the actual support level for the 1956 crop.

In each of the last 2 seasons, extremely large quantities of flue-cured were placed under Government loan--a record 320 million pounds in 1956 and 298 million pounds in 1955. A substantial quantity, especially in 1956, was composed of varieties with characteristics not now favored by domestic and foreign buyers.

The Department of Agriculture in the support program for the 1957 crop will offer only one-half the regular price support on three varieties viewed as currently undesirable. The three varieties specified as low to lacking in flavor and aroma and generally of light body are Coker 139, Coker 140, and Dixie Bright 244. In carrying out the price support operations, individual rates are established for each of the official grades. If the support rate for a particular grade is 56 cents per pound, the support rate for the

comparable grade of "139," "140," or "244" will be one-half of 56 cents or only 28 cents per pound. This action should result in an appreciable increase in the proportion of tobacco produced with desirable flavor and aroma characteristics.

Supplies

The 1956-57 total supply of flue-cured tobacco at 3,681 million pounds is 4 percent greater than for 1955-56, the previous high.

According to farmers' intentions on March 1, 662,900 acres of flue-cured will be grown in 1957--24 percent less than in 1956 and one of the smallest acreages in forty years. Acreage allotments were reduced 20 percent below 1956, and about 45,600 acres of flue-cured were placed in the acreage reserve of the Soil Bank program. Yields per acre this year are not likely to average as much as the record high of 1956. The varieties being discounted in the support price program are high yielding varieties, which were probably grown more widely in 1956 than in earlier years. If 1957 yields per acre should equal the 1954-55 average, this year's production would total about 915 million pounds--roughly one-third less than the exceedingly large 1956 crop.

Carryover of flue-cured on July 1, 1957, seems likely to be about 2,470 million pounds--9 percent above a year earlier. Assuming this year's crop may range from 915 to 1,000 million pounds, total supply for 1957-58 would be roughly 3,385 to 3,470 million pounds, compared with 3,681 million for the current year.

Domestic Use and Exports

During the current marketing year (July 1956-June 1957), the domestic use of flue-cured may approach 735 million pounds--a slight increase over 1955-56. The number of cigarettes manufactured will probably gain more than leaf use percentagewise. This would be mainly the result of manufacturers being able to manufacture more cigarettes from a given quantity of tobacco than formerly.

Exports of flue-cured during the year ending June 30 seem likely to be about 475 million pounds (farm-sales weight) compared with the record 553 million in 1955-56. During the first 7 months of the current marketing year, flue-cured exports were running 23 percent lower than in the comparable period of a year earlier. Exports to the United Kingdom accounted for 43 percent of the total, down 32 percent from a year earlier. In the same period, the next 3 ranking outlets, Germany, Australia, and The Netherlands combined, accounted for 20 percent of the total but for each, less than a year earlier. The substantial increase to Indonesia reflected P. L. 480 shipments. Sweden is taking a record quantity of flue-cured this marketing year. But shipments to the Philippine Republic and Japan have dropped sharply. Both these countries have greatly

Table 11.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods
(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	741	845	1,586	704	338	366	22.9
1941-45	902	1,349	2,251	992	617	375	38.5
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952	1,365	1,731	3,096	1,244	828	416	50.3
1953	1,272	1,852	3,124	1,209	778	431	52.8
1954	1,314	1,915	3,229	1,173	744	429	52.7
1955	1,483	2,056	3,539	1,281	728	553	52.7
1956 2/.....	*1,423	2,258	3,681				51.6
				Placed under Government loan:		Remaining in	
Parity	Price			Quantity	Percentage	Government loan	
price 3/	support				of crop	stocks on	
	level					February 28, 1957 4/	
	Ct.	Ct.	Mil. lb.	Pct.		Mil. lb.	
1946	35.7	32.1	66.5	4.9		0	
1947	44.4	40.0	232.3	17.6		0	
1948	48.8	43.9	106.1	9.7		0	
1949	47.2	42.5	103.5	9.3		0	
1950	50.0	45.0	77.6	6.2		0	
1951	56.3	50.7	142.2	9.8		0	
1952	56.2	50.6	5/165.0	12.1		26.0	
1953	53.2	47.9	151.4	11.9		19.6	
1954	53.2	47.9	130.3	9.9		48.0	
1955	53.7	48.3	298.1	20.1		259.0	
1956	54.3	48.9	320.5	22.5		320.4	
Total	---	---	1,793.5	---		673.0	

1/ Year beginning July 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. *Indicated by sales data.

expanded their own production. Shipments to Belgium and Ireland decreased considerably and to Finland, were down a little. Other countries taking less were Thailand, Egypt, Norway, New Zealand, and Spain. Exports increased to Denmark, Viet Nam, Switzerland, India, Pakistan, Hong Kong, Italy, Portugal, France, and Taiwan.

Burley, Type 31

Prices

The 1956 burley crop sold for the highest prices on record. The average price received by growers was 63.6 cents-- $8\frac{1}{2}$ percent higher than the previous record of 58.6 cents for the 1955 crop. The selling season was the shortest on record. It began on November 27 and closed with clean-up sales at Lexington on February 8. More than four-fifths of the crop was sold before the shutdown of the auctions for the holidays. The volume sold was about 8 percent larger than the postwar low of a year earlier. But general quality was not as good as for the 1955 crop which was one of the best ever produced.

Demand was particularly strong for the heavier-bodied leaf and tip grades. For example, the average price of grade B⁴F was 65 cents--10 percent higher than a year earlier; for B⁴FR, 65 cents--up 16 percent; for T⁴R, 64 cents--up 31 percent; and for T⁴FR, 64 cents--up 21 percent. The lugs and flyings grades showed much smaller percentage increase, 1 or 2 percent in many cases.

The Government support level for the 1956 crop was 48.1 cents per pound. The quantity of burley received under loan during the 1956 season was about 6 million pounds--only a little over 1 percent of the crop. This is in sharp contrast to the previous 10 seasons, when placements under Government loan ranged from a low of 38 million pounds in 1947 to 221 million in 1954.

The 1957 support level for burley will be 90 percent of the applicable parity price. The February 1957 parity for burley is calculated in the same manner as flue-cured (as illustrated on page 24). The 1947-56 average price for burley is 51.5 cents per pound--nearly 5 percent higher than the 1946-55 average of 49.1 cents. This in turn raises the "adjusted base price" by a like percentage so that parity price calculations for burley in 1957 start from a higher base than in 1956.

The February 1957 burley parity at 57.0 cents per pound is about 7 percent higher than in September 1956. The September price was the basis for computing the 90 percent support level for the 1956 crop. Ninety percent of 57.0 cents is 51.3 cents. This reflects not only the higher "adjusted base price" for burley but a 2 percent increase in the parity index (prices paid) from September 1956 to February 1957.

A minimum support level is announced before planting season. The actual support for the 1957 crop will be either the minimum level or 90 percent of

Table 12.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods
(Farm-sales weight)

Year	: Production :	: Stocks, Oct. 1 :	: Supply :	: Disappearance 1/ :			: Average price per pound
				: Total	: Domestic	: Exports	
	: Mil. lb.	: Mil. lb.	: Mil. lb.	: Mil. lb.	: Mil. lb.	: Mil. lb.	: Ct.
Average:							
1934-38	287	701	988	314	302	12	22.2
1941-45	448	730	1,178	437	424	13	40.0
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952	650	1,061	1,711	548	519	29	50.3
1953	564	1,163	1,727	529	494	35	52.5
1954	668	1,198	1,866	519	486	33	49.8
1955	470	1,347	1,817	516	482	34	58.6
1956 2/	*508	1,301	1,809				63.6
	: Parity	: Price	: Placed under Government loan:		: Remaining in		
	: price 3/	: support	: Quantity	: Percentage	: Government loan		
		: level		: of crop	: stocks on		
					: February 28, 1957 4/		
	: Ct.	: Ct.	: Mil. lb.	: Pct.	: Mil. lb.		
1946	37.3	33.6	147.8	24.1	0		
1947	44.8	40.3	37.7	7.8	0		
1948	47.1	42.4	96.7	16.0	0		
1949	44.8	40.3	39.1	7.0	0		
1950	50.8	45.7	44.2	8.9	0		
1951	55.3	49.8	97.3	15.7	30.2		
1952	55.0	49.5	103.9	16.0	17.9		
1953	51.8	46.6	102.1	17.9	55.2		
1954	51.5	46.4	221.4	33.2	160.7		
1955	51.3	46.2	73.0	15.5	73.0		
1956	53.4	48.1	6.0	1.2	6.0		
Total	---	---	969.2	---	5/ 343.0		

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ Of this, roughly 35 million pounds have been sold. *Indicated by sales data.

the October 1 parity price, whichever is higher. In 1956, 90 percent of the October 1 parity exceeded the previously announced minimum and thus became the actual support level for the 1956 crop.

Supplies

The total 1956-57 supply of burley is near 1,809 million pounds--only a little below 1955-56. The increase in the crop from 1955 to 1956, to a large extent, offsets the decrease in carryover. The 1956-57 supply is 3 percent less than the peak 1954-55 level.

According to farmers' intentions on March 1, 307,000 acres of burley will be grown in 1957--almost as much as in 1956. Acreage allotments were mostly the same, and about 6,760 acres were placed in the acreage reserve of the Soil Bank program. If yields per acre should equal the 1954-56 average, the 1957 crop may approximate 480 million pounds--about 5 percent less than the volume marketed last season.

The carryover of burley next October 1 probably will be near 1,290 million pounds--roughly 10 million less than last October 1. The carryover plus the oncoming crop will provide a total 1957-58 supply approximating 1,770 million pounds--2 percent lower than that for the current year.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), domestic use of burley may approach 490 million pounds, up a little from 1955-56. Cigarette output, the biggest outlet, is expected to gain. But the increase in cigarettes will be only partially reflected in leaf use due to the greater number of cigarettes being made on the average from a pound of leaf. Secondary outlets for burley such as smoking and chewing tobacco will probably require less than last year.

Exports of burley in 1956-57 probably will be down some from the 34 million pounds (farm-sales weight) in 1955-56 because middle and lower grades generally moving to some foreign countries are in short supply. Available stocks also are high priced. During the first third of the current marketing year, burley exports were about even with those in the corresponding period of 1955-56. The three leading outlets in the recent period were Sweden, Germany, and Mexico. Together they accounted for 65 percent of the total. Sweden, Germany, and Mexico took 29, 42, and 62 percent more, respectively, in October 1956-January 1957 than in the comparable period a year earlier. Relatively little was reported going to Portugal, usually the second ranking export outlet. Other important outlets mostly getting considerably less were Belgium, Norway, Finland, Egypt, the Philippine Republic, Switzerland, and Netherlands. None was reported going to Italy, France or Austria in the first third of 1956-57. However, Denmark and the United Kingdom increased their takings of burley above those in the comparable period of 1955-56.

Maryland, Type 32 3/

Prices

Maryland tobacco auctions for the 1956 crop are expected to begin April 30, about the usual date for this type. Sales also will take place at the Baltimore hogshead market, where about one-tenth of the crop is marketed. The average price for the 1955 crop (marketed mostly in 1956) was 49.8 per pound--well above the previous season's average when there was much low quality tobacco. Because no marketing quota was in effect on the 1955 Maryland crop, there was no Government support price. The 1956 crop was produced under quota, and the Government support level in effect for the coming marketing season is 47.0 cents per pound.

The 1957 crop is also being produced under quota, and the support level will be 90 percent of the applicable parity for Maryland tobacco. The February 1957 parity price is 52.9 cents per pound, slightly above what it was in September 1956, which was the basis for computing the 90 percent support level for the 1956 crop.

The actual price support for the 1957 crop will be either the minimum level announced prior to the planting season or 90 percent of parity as of October 1 of this year, whichever, is higher. In 1956, the October 1 level exceeded the minimum and, therefore, became the actual support for the 1956 crop.

Supplies

The 1956 crop of Maryland tobacco is estimated at $38\frac{1}{2}$ million pounds--about one-sixth larger than the small 1955 crop and only 2 to 3 million less than in most years since 1948. The carryover of Maryland tobacco on January 1, 1957, was a little more than 73 million pounds--5 percent less than a year earlier but the second highest on record. Carryover plus the 1956 crop adds to a total supply of nearly 112 million pounds--slightly more than for last year and only fractionally below the record high of 2 years ago.

According to farmers' intentions on March 1, 40,000 acres will be grown this year. Acreage allotments were reduced about 10 percent, and about 5,850 acres have been signed up in the acreage reserve of the Soil Bank

3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1, falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

(Farm-sales weight)

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting.

program. If yields per acre should equal the 1952-56 average, this year's crop may be near 33 million pounds--down about 5 million from 1956 and one of the smallest in 12 years.

The carryover next January 1 seems likely to be down only a little, but the reduction in this year's crop will mean that next year's total supply will be lower than the current level.

Domestic Use and Exports

Domestic use of Maryland tobacco in the year ending next September 30 is estimated at about 28 million pounds--not markedly different from the preceding 2 or 3 years. Most Maryland tobacco is used in the manufacture of cigarettes, but lower grades are used in some cigars.

Exports of Maryland tobacco during the first third of the year ending next September 30 were above usual shipments but were lower than the large quantities that went out in the corresponding period of last year. The total for the year may be 11 or 12 million pounds--1 or 2 million less than last year but still the second largest in many years. Switzerland, the leading destination, took 60 percent less in October 1956-January 1957 than a year earlier. However, Germany, the next ranking outlet, took $3\frac{1}{2}$ percent more, and Netherlands, ranking third, doubled hers. More also went to Spain and Belgium and a sizable shipment went to France in contrast to none in the first third of 1955-56. Less went to Tunisia, and none was yet reported going to Morocco.

Fire-Cured, Types 21-23

Prices

Auctions for Virginia fire-cured, type 21, began near the end of November, and marketings were completed by mid-February. The auction average was 39.5 cents per pound--up about one-fourth from a year earlier when quality was considerably poorer as the result of storms. The 1956 average was about one-eighth above the 1952-54 average and just topped the previous record of 39.2 cents for the 1951 crop. Auctions for Kentucky-Tennessee fire-cured, types 22 and 23, began in the second week of January and closed by early March. The average price for type 22 auction and country sales was 37.4 cents--8 percent lower than last season and the second lowest in 6 years. About 7 percent of type 22 sales were country sales. Tobacco bought in the country averaged 3 percent higher than last season's price. The type 23 average price was 32.6 cents--2 percent above each of the last two seasons. Less than 2 percent of the type 23 was country sales.

The Government support level for the 1956 crop of fire-cured was 36.1 cents per pound. During the season just ended, growers of Virginia fire-cured placed 1.7 million pounds, about one-sixth of the crop, under

Table 14.--Fire-cured tobacco, types 21-23^{1/}: Domestic supplies, disappearance, season average price, and price support operations for specified periods
(Farm-sales weight)

Year	: Production :	: Stocks, : Oct. 1 :	: Supply :	: Disappearance 2/ :			: Average price : per pound
				: Total :	: Domestic :	: Exports :	
	: Mil. lb. :	: Mil. lb. :	: Mil. lb. :	: Mil. lb. :	: Mil. lb. :	: Mil. lb. :	: Ct. :
Average:							
1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1941-45	66.1	170.7	236.8	81.9	49.6	38.3	22.1
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950	58.3	164.9	223.2	76.0	36.7	39.3	31.2
1951	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954	62.2	134.0	196.2	59.1	29.9	29.2	37.8
1955	65.2	137.1	202.3	64.6	31.1	33.5	37.3
1956 3/	*70.0	137.7	207.7				37.0
	: Parity :	: Price :	: Placed under Government loan:		: Remaining in		
	: price 4/ :	: support :	: Quantity :	: Percentage :	: Government loan		
		: level 5/ :		: of crop :	: stocks on		
					: February 28, 1957 6/		
	: Ct. :	: Ct. :	: Mil. lb. :	: Pct. :	: Mil. lb. :		
1946	17.8	25.2	40.8	37.5	0		
1947	21.5	30.2	31.3	36.2	2.3		
1948	22.6	31.8	27.3	37.3	2.5		
1949	21.5	30.2	18.7	25.9	3.8		
1950	30.3	34.3	12.2	20.9	6.9		
1951	33.6	37.4	7.5	12.6	4.4		
1952	34.8	37.1	10.9	18.7	5.6		
1953	34.4	35.0	8.2	16.8	3.7		
1954	34.8	34.8	6.9	11.1	4.5		
1955	35.8	34.6	9.7	14.7	8.3		
1956	36.2	36.1	20.3	29.0	20.3		
Total	---	---	193.8	---	62.3		

1/ Type 24 included until early 1950's when it became practically nonexistent.
 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed. 5/ Not based on parity but set by law at 75 percent of the burley support. 6/ Actual loan stocks on a packed-weight basis average about 6 percent less than these farm-sales weight figures. *Indicated by sales data.

Government loan. This was close to the quantity and proportion from the 1955 crop but less than in most other seasons in the last several years. Kentucky-Tennessee growers delivered for loans about 12.7 and 5.9 million pounds of types 22 and 23, respectively. The type 22 loan quantity was about 29 percent of the total crop, the largest quantity and proportion since 1948. The type 23 loans represented about 39 percent of the crop and the most in pounds and percentagewise since 1949.

Government price supports will again be in effect on the 1957 crops.

Supplies

The 1956-57 total supply of fire-cured tobacco at almost 208 million pounds is nearly 3 percent above 1955-56 and 6 percent above 1954-55. Production in 1956 and also 1955, exceeded that in each of the previous 5 years. The 1956 crop was about 7 percent above 1955 and 22 percent higher than the 1950-54 average.

According to farmers' intentions on March 1, about 38,000 acres of fire-cured will be grown in 1957--down about 19 percent. Acreage allotments were cut 10 percent, and about 6,430 acres have been placed in the acreage reserve of the Soil Bank program. If yields per acre are near the averages of recent years (adjusted for unusual lows and the upward trend), this year's crop may approximate 52 million pounds--about one-fourth less than in 1956. Last season's yields were at a record high.

Carryover of fire-cured next October 1 may reach 148 million pounds--7 percent higher than last October 1 and the largest in 7 years. This plus a 1957 crop of 52 million pounds would provide a total 1957-58 supply of about 200 million pounds--4 percent less than the current year's level.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), domestic use of fire-cured seems likely to be about 30 million pounds--about 1 million lower than in 1955-56. The main domestic outlet is snuff, and its manufacture during the first third of the current marketing year was 4 percent below that in the comparable period of a year earlier.

Exports of fire-cured tobacco during 1956-57 also may approximate 30 million pounds (farm-sales weight)--roughly 10 percent less than a year earlier. During the first third of the current marketing year, exports of Virginia fire-cured were down 56 percent from the high rate in the same period of 1955-56. Norway, the leading outlet, took about one-third less, and Sweden, the next in rank last year, took very little compared with a year earlier. Shipments were also drastically reduced to the Netherlands and Switzerland; however, much more Virginia fire-cured went to Britain and New Zealand. Exports of Kentucky-Tennessee fire-cured tobacco during

October 1956-January 1957 were one-tenth less than in the corresponding months of 1955-56. The Netherlands, the leading outlet, took 16 percent more a year earlier and accounted for two-fifths of the total exports. None was yet reported going to France and Sweden, each of which got substantial quantities last year. Swiss takings were less than two-thirds as much as in the same months of 1955-56 and comparatively little went to Italy--the third ranking outlet in the previous 2 years. Shipments to Denmark, Germany, Viet Nam, and the Belgian Congo increased, although moderately less went to Belgium. None was yet reported going to the United Kingdom, Ireland, and Indonesia, all of which took significant amounts last year.

Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auctions for One Sucker (type 35), Green River (type 36), and Virginia sun-cured (type 37) began in early December and were concluded by early February. For the Kentucky-Tennessee types 35 and 36, the auction market average prices were 35.9 and 29.6 cents per pound--9 and 2 percent higher, respectively, than a year earlier. The type 35 crop was of excellent quality, and the type 36 crop offerings were a little better than last year. The average price of Virginia sun-cured (nearly two-fifths of which sold on the fire-cured markets) was 35.6 cents--up 41 percent from a year earlier when there was much storm-damaged tobacco. The 1956 crop average was the highest on record, topping the previous record of 34.6 cents for the 1951 crop.

The Government support level for the 1956 crop of dark air-cured and sun-cured was 32.1 cents per pound. During the season, growers of One Sucker placed 3.4 million pounds under Government loan--about 17 percent of the crop. This was the smallest quantity and proportion to go under loan since 1950. From 1951 to 1955, receipts of One Sucker under loan ranged from about 4 to 7½ million pounds a season. There was a sharp upturn in Government loans for Green River tobacco, the total during the recent season being 3.2 million pounds or roughly 30 percent of the crop. This is the most in quantity and percentagewise since 1948. From 1951 to 1955, receipts of Green River under Government loan ranged from about 1½ to 2½ million pounds a season. In the case of Virginia sun-cured, placements under Government loan were relatively small as is usual for this type.

Government price supports will again be in effect on the 1957 crops.

Supplies

The 1956-57 total supply of dark air- and sun-cured tobacco is nearly 119 million pounds--6 percent above 1955-56 and a postwar high. Increases occurred in both production and carryover compared with a year earlier.

Table 15.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
Average:	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1941-45	37.0	64.4	101.4	39.8	33.9	5.9	20.6
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954	34.1	75.8	109.9	29.1	19.0	10.1	34.1
1955	31.1	80.8	111.9	26.5	20.7	5.8	31.1
1956 2/	*33.4	85.4	118.8				35.0
: Parity : Price : Placed under Government loan: Remaining in							
: price 3/ : support : : Government loan							
: Types: Type : level 4/ : Quantity : Percentage : stocks on							
: 35-36: 37 : : : of crop : Feb. 28, 1957 5/							
	Ct.	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1946	14.3	19.1	22.4	15.7	31.7	0	
1947	17.2	23.1	26.9	14.5	39.0	.1	
1948	18.1	24.2	28.3	8.9	25.6	1.8	
1949	17.2	23.1	26.9	4.0	11.0	1.2	
1950	27.2	34.2	30.5	4.1	14.3	.5	
1951	29.6	37.5	33.2	7.4	23.3	4.3	
1952	30.5	37.7	33.0	6/9.9	29.3	6.1	
1953	30.2	35.6	31.1	7.5	28.2	4.0	
1954	29.4	34.5	30.9	7.3	22.5	5.8	
1955	30.4	34.1	30.8	6.3	20.0	5.1	
1956	31.0	33.0	32.1	6.6	19.8	6.6	
Total	---	---	92.2	---	---	35.5	

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Not based on parity but set by law at 66 2/3 percent of the burley support. 5/ Actual loan stocks on a packed-weight basis average about 8 percent less than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1953.

*Indicated by sales data.

According to farmers' intentions on March 1, about 15,800 acres of dark air-cured and 2,900 acres of sun-cured will be grown in 1957--down 17 percent from last year for dark air-cured and 9 percent for sun-cured. Acreage allotments for dark air-cured were reduced about 15 percent from the 1956 level, and about 1,700 acres have been placed in the acreage reserve of the Soil Bank program. Sun-cured tobacco acreage allotments are about the same as last year, and about 2,240 acres were placed in the acreage reserve. If yields per acre are near the average of the recent 3 years (adjusted for the low 1955 sun-cured figure), this year's production of dark air-cured and sun-cured would approximate 26 million pounds--6 or 7 million less than in 1956. The 1956 yields for both dark air-cured types were at record highs.

Carryover next October 1 of the combined dark air- and sun-cured types seems likely to be near 92 million pounds--about 6 million above last October 1. This plus a 1957 production of about 26 million would provide a total 1957-58 supply of approximately 118 million pounds--slightly below the current year's level.

Domestic Use and Exports

During the current marketing year (October 1956-September 1957), the domestic use of dark air- and sun-cured is expected to be about 19 million pounds--down moderately from 1955-56. In domestic manufacture, plug, twist, and fine-cut chewing absorb most of these types, and further declines in chewing tobacco are likely to continue.

The 1956-57 exports of dark air-cured tobacco probably will be about 7 or 8 million pounds (farm-sales weight), compared with the peacetime low of 5.8 million in 1955-56. Roughly 60 percent of the dark air-cured tobacco exports in 1955-56 and 45 percent in 1954-55 went out as Black Fat--a semi-processed form. During the first third of 1956-57, exports of Black Fat were 5 percent larger than in the comparable months of 1955-56. Nigeria, the leading outlet, took 4 percent less but there was a 16 percent increase to the Gold Coast, the next ranking outlet. Also more went to Cameroon and the Canary Islands, two comparatively small outlets. Relatively small amounts went to French West Africa, which also got a sharply reduced quantity in the whole of 1955-56 compared with 1954-55. During October 1956-January 1957, a substantial quantity of One Sucker (about 2 million pounds) and a sizable quantity of Green River (nearly one-third of a million pounds) went to the Union of South Africa, a new outlet. Belgium took a sizable amount and Britain and Finland took some in contrast with little or none in the first third of 1955-56.

Table 16.- Cigar tobacco price support operations, quantities placed under loan, 1946-56 and remaining under loan

Crop year	Ohio, : types : 42-44	Puerto Rican : type 46	Conn. : Valley, : type 51	Conn. : Valley, : type 52	So. : Wis., : type 54	No. : Wis., : type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1946	0	10.6	0	0	2.2	0	12.8
1947	0	10.3	0	0	.8	0	11.1
1948	0	12.3	0	0	2.0	3.0	17.3
1949	0	9.3	.1	3.2	.2	.5	13.3
1950	2.6	.3	.1	3.7	1.4	.6	1/11.5
1951	.6	1.1	1.7	2.7	4.8	.1	1/11.0
1952	2/	1.4	2/	2/	2/	2/	1.4
1953	2.7	1.4	3/	1.8	2.4	1.9	1/10.3
1954	1.2	5.1	.8	3.4	1.3	.9	12.7
1955	.8	2.8	7.8	5.2	.4	3.1	20.1
1956 4/	.4	---	1.5	1.6	.1	.7	4.3
Total 4/	8.3	54.6	12.0	21.6	15.6	10.8	1/125.8
Remaining:							
as of							
Feb. 28,							
1957	2.2	1.7	7.2	6.9	.8	3.0	21.6

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana Seed (type 53).

2/ Price support not in effect because marketing quotas were disapproved by growers.

3/ Less than 50,000 pounds.

4/ Incomplete, since marketings of 1956 crops not concluded by date of this report.

Cigar, Types 41-62

1957 Cigar Filler and Binder Allotments

Beginning with the 1957 crops, Connecticut Valley binder (types 51 and 52) will be considered a kind of tobacco separate from Ohio filler (types 42-44) and cigar binder types 53-55 (mainly Wisconsin binder) with which it formerly was included for purposes of marketing quotas and price support. Acreage

allotments for most Connecticut Valley binder growers in 1957 have been reduced about 10 percent. For most growers of Ohio filler types 42-44 and cigar-binder types 53-55, 1957 acreage allotments will be about the same as in 1956. In two separate referendums held February 13, growers of Connecticut Valley binder and growers of Ohio filler and binder types 42-44 and 53-55 by overwhelming majorities approved marketing quotas for their 1957, 1958, and 1959 crops.

Price Supports

Because growers have approved marketing quotas for continental filler and binder tobaccos, 1957 crops of these kinds--except type 41, Pennsylvania Seedleaf--will be supported at 90 percent of the applicable parity. Ninety percent of parity is the mandatory level for the cigar types under marketing quotas. The separation of Connecticut Valley types 51-52 from the cigar group for marketing quotas and price support means that 1957 loan levels will be based on parity prices for two groups instead of a single group parity, as heretofore. As of February 15, the parity price for cigar binder types 51-52 was 56.7 cents and for cigar filler and binder types 42-44, 53-55 was 29.2 cents. Minimum loan rates for individual types will be announced prior to the planting season. The actual 1957 support levels for these types will be either the minimum announced prior to the planting season or based on the October 1 calculations, whichever are higher. No price support can be made available on type 41, Pennsylvania Seedleaf, because growers in a 1955 referendum rejected the application of quotas to the 1956, 1957, and 1958 crops.

The price of 1956-crop Connecticut Broadleaf, type 51, tobacco is being supported at an average level of 52.5 cents a pound. Loan rates were established separately for sorted and unsorted leaf. However, present plans are to extend price support on 1957-crop Broadleaf only on an unsorted basis. The increasing use of "reconstituted" or "homogenized" binder sheet, in which pulverized tobacco is used, has raised a question as to the economic justification for including the cost of sorting tobacco in the loan schedules.

The support level for Puerto Rican (type 46) tobacco is based on its supply relationship. The price of the crop currently being marketed is supported at an average level of 31.4 cents per pound. This is equal to 89 percent of the October 1, 1956 parity. The 1955-56 crop was supported at an average level of 31.9 cents a pound, based on 88 percent of parity.

Continental Filler

The price of the 1956 crop of Pennsylvania filler averaged 25 cents, up 2 percent from 1955 but 9 percent less than the average price of each of the 1953 and 1954 crops.

Total 1956-57 supplies of filler types 41-44 at 184 million pounds are 3 percent less than in 1955-56. A reduced carryover and a smaller Ohio filler crop more than offset an increase in 1956 production of Pennsylvania type.

Based on farmers' intentions as of March 1, the 1957 prospective acreage of continental filler types is 33,700--1 percent less than harvested in 1956. No change is indicated for Pennsylvania type 41 (89 percent of continental filler acreage). Indicated acreage of Ohio filler, types 42-44, is 3,700, down 5 percent from that harvested in 1956. Through March 15, growers of Ohio filler had placed 374 acres in the Soil Bank acreage reserve.

If 1957 yields should equal the 1952-56 average, filler production this year would be 54 million pounds, 6 percent less than in 1956. Stocks of continental filler types on October 1, 1957, may be around 124 million pounds, 2 percent less than last October 1. Total supplies indicated for 1957-58--this year's crop plus carryover--may thus approximate 178 million pounds, a decrease of 4 percent from the current season's relatively low level.

Total disappearance of Pennsylvania and Ohio filler in the marketing year beginning October 1955 amounted to 62 million pounds, nearly one-fourth more than the unusually low disappearance in 1954-55 and more nearly comparable to that of 1953-54 and 1952-53. The upturn was attributable to greater use of Pennsylvania type; Ohio filler types declined by 2 million pounds.

The 1955-56 exports of about 375,000 pounds (farm-sale-weight) of filler were the largest in 4 years. Most of it went to Viet Nam. Exports for October 1956-January 1957--the first third of the current marketing year--were substantially larger than in the comparable months of a year earlier. Algeria was the principal outlet.

Puerto Rican Filler

Most of the crop of Puerto Rican cigar filler (type 46) is used in the United States. This type is planted in the fall and harvested principally in the early months of the following calendar year. Although Federal marketing quotas are not in effect on Puerto Rican filler, production is controlled by the Commonwealth Government. Production was stable at about 34 million pounds in the 3 crop years 1952/53-1954/55 and then declined to 30 million pounds in 1955-56. The Commonwealth Department of Agriculture and Commerce has estimated the 1956-57 crop at 27 million pounds, 10 percent less than the previous year and the smallest outturn since 1950. The drop is ascribable to a 15 percent reduction in the acreage for harvest, which more than offset a $5\frac{1}{2}$ percent increase in average yield.

Stocks of Puerto Rican tobacco on January 1, 1957 (70 percent in the United States and 30 percent on the Island) amounted to 49 million pounds, 4 percent less than the unusually large holdings of a year earlier.

Table 17.- Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, 1947-56

(Farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Pennsylvania Seed leaf (type 41)							
1947	52.1	98.5	150.6	50.8	49.3	1.5	30.5
1948	57.4	99.8	157.2	51.2	50.5	.7	26.3
1949	54.2	106.0	160.2	44.4	43.7	.7	26.4
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955 2/	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956 2/	51.0	103.7	154.7				25.0
Ohio, Miami Valley (types 42-44)							
1947	8.4	23.7	32.1	8.2	8.2		31.0
1948	10.9	23.9	34.8	8.9	8.9		23.0
1949	11.2	25.9	37.1	9.1	9.1		25.0
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955 2/	7.5	22.9	30.4	7.2	7.2		21.8
1956 2/	6.4	23.2	29.6				
Puerto Rico (type 46)							
1947	26.1	74.0	100.1	32.1	30.6	1.5	27.5
1948	27.0	68.0	95.0	41.8	32.9	8.9	27.0
1949	26.0	53.2	79.2	28.1	25.9	2.2	20.0
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955 2/	30.0	59.3	89.3	31.7	31.6	.1	25.0
1956 2/	27.0	57.6	84.6				

1/ Year beginning October 1. 2/ Subject to revision.

Cigar Binder

Marketings of 1956-crop Wisconsin binder started in December, earlier than the previous year's crop. Through March 11, Northern Wisconsin (type 55) prices averaged about $32\frac{1}{2}$ cents, sharply higher than the 1956 crop average of 24.6 cents and about equal to the average price of the 1954 crop. All grades were up in price, but the larger proportion of binders in the 1956 crop also was a factor in the higher price average. Prices of Southern Wisconsin (type 54) through March 11 averaged about 26 cents, compared with the 1955 crop average of 22.9 cents. The average price indicated for the 1956 crop is the highest in about 10 seasons. Prices for the 1956 crops of the Connecticut Valley types averaged about one-fifth higher than in the previous season when they were sharply below most of the postwar years.

The 1956-57 total supply of binder types 51-55 at about 140 million pounds is 12 percent below the previous year and a record low. A further drop in supplies, principally Connecticut Valley types, is indicated for 1957-58. March 1 intentions of farmers point to a 1957 acreage of all binder types of 18,000, 2 percent below 1956 harvested acreage. In the Connecticut Valley, where the 1957 allotments were cut, the indicated acreage of types 51-52 is 5,900, both 17 percent less than harvested last year. Through March 15, growers had placed about 6,300 acres in the Soil Bank acreage reserve but more has probably been signed up since. Indicated acreage of Wisconsin types 54-55 is 12,100, an increase of 7 percent from 1956 harvested acreage. Through March 15, growers of these types entered about 2,880 acres in the Soil Bank acreage reserve.

If yields per acre should equal the 1952-56 average and acreage equalled that intended as of March 1 the 1957 production of the combined binder types would be about $28\frac{1}{2}$ million pounds, down 3 percent from 1956. Carryover of binder leaf next October 1 will likely be around 95 million pounds, down 14 percent from October 1, 1956 holdings and a new low. Although the sharp reduction in the 1956 crop will be a factor in the smaller carryover next October, the actual level of stocks will also depend on cigar and scrap chewing output and the extent to which manufactured binder sheet replaces the natural leaf on cigars. Current indications are that 1957-58 total supplies of binder leaf--this year's crop plus carryover--may be about 123 million pounds, down 12 percent from last year's low level and nearly 30 percent below the average of the 5 marketing years 1951-55. It is likely that the reduction in total 1957-58 supplies of Connecticut Valley types 51-52 will be about 20 percent, compared with a reduction of 5 percent for Wisconsin types 54-55.

Total disappearance of combined binder types 51-55 in October 1955-September 1956 declined by 5 percent to about $48\frac{1}{2}$ million pounds. This is the lowest disappearance in the postwar period. However, the overall figure conceals divergent tendencies. Disappearance of Broadleaf (type 51) at 14.7 million pounds was one-fourth higher than in 1954-55, but Havana Seed (type 52) dropped 10 percent to 11.6 million. Disappearance of Northern Wisconsin

Table 18.- Cigar binder tobacco, types 51-55: Domestic supplies, disappearance, and season average prices, 1947-56

Year	Pro- duction	Stocks Oct. 1	Supply	Disappearance ^{1/}			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Connecticut Valley Broadleaf (type 51)							
1947	15.0	28.6	43.6	13.3			51.0
1948	14.0	30.3	44.3	17.8	13.5	4.3	60.0
1949	14.1	26.5	40.6	12.9	11.8	1.1	53.0
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955 ^{2/}	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956 ^{2/}	7.1	30.8	37.9				
Connecticut Valley Havana Seed (type 52)							
1947	15.1	16.5	31.6	12.2			73.3
1948	14.6	19.3	33.9	14.1	9.4	4.7	62.3
1949	14.7	19.8	34.5	9.5	7.4	2.1	41.9
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.0
1955 ^{2/}	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956 ^{2/}	5.3	21.6	26.9				
Southern Wisconsin (type 54)							
1947	15.8	37.9	53.7	16.5			22.3
1948	11.9	37.2	49.1	9.3		.4	22.4
1949	12.6	39.8	52.4	12.3	12.3		22.8
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955 ^{2/}	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956 ^{2/}	6.0	25.4	31.4				
Northern Wisconsin (type 55)							
1947	21.5	37.6	59.1	22.9			34.9
1948	18.4	36.2	54.6	19.4	17.7	1.7	23.0
1949	18.8	35.2	54.0	13.2	13.0	.2	28.5
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955 ^{2/}	12.9	30.9	43.8	12.0	11.7	.3	24.6
1956 ^{2/}	11.2	31.8	43.0				

^{1/} Year beginning October 1.^{2/} Subject to revision.

binder (type 55), 12 million pounds, also was sharply lower than a year earlier, but that of Southern Wisconsin (type 54), 10.3 million pounds, was up by 14 percent.

Domestic use accounted for 95 percent of total disappearance in the 1955-56 marketing year. Exports of Broadleaf and Havana Seed amounted to 0.4 and 1.5 million pounds, respectively, both about twice 1954-55 shipments. In October 1956-January 1957 (the first third of the current marketing year), exports of Broadleaf totaled about 1.1 million pounds (farm-sales weight) of which about nine-tenths represented shipments for dollars to Spain in December. In the same 4 months, Havana Seed exports of 0.6 million pounds were one-tenth above those of a year earlier. Belgium and West Germany were the principal destinations.

Shade-Grown Wrapper

The 1956-57 total supply of cigar wrapper (shade-grown types 61-62) at 33.6 million pounds is the same as for 1955-56 but 4 percent below the average for the 5 seasons 1950-54.

Prospective 1957 acreage of types 61-62 is 13,100 acres, 2 percent less than the 1956 harvested acreage. A reduction of 4 percent is indicated for the Georgia-Florida area; no change is indicated for the Connecticut Valley. If 1957 yields per acre should equal the 1954-56 average, this year's crop would be about 16 million pounds, 2 percent less than in 1956. Cigar wrapper stocks on July 1, 1957, may be around 18 million pounds. Adding the crop presently indicated for 1957 results in a prospective supply of about 34 million pounds for the 1957-58 marketing year, up slightly from 1956-57.

Total disappearance of shade-grown wrapper types 61-62 of 16.6 million pounds in the July 1955-June 1956 marketing year was the same as a year earlier. However, domestic use at $11\frac{1}{2}$ million pounds was 7 percent smaller, while exports of 5.1 million pounds were up more than one-fifth to a record high. Of total disappearance, Georgia-Florida wrapper type 62 comprised 7.2 million, 13 percent more than in 1954-55. Disappearance of Connecticut Valley type 61, 9.4 million pounds, was down by 8 percent.

Exports of wrapper types in the first 7 months of the current marketing year (July 1956-January 1957) of 2.2 million pounds (farm-sales weight) were about one-fourth less than a year earlier. West Germany continued as the leading outlet, but takings thus far this season have been 23 percent less than in July 1955-January 1956. Shipments to The Netherlands and Belgium were down even more sharply; but to Canada almost as much as a year earlier.

Table 19.- Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, 1947-56

(Farm-sales weight)							
Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Connecticut Valley Shade grown (type 61)							
1947	9.3	10.1	19.4	8.7			310.0
1948	9.8	10.7	20.5	8.4			290.0
1949	11.1	12.1	23.2	9.6			205.0
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955 2/	8.8	11.1	19.9	9.3			215.0
1956 2/	9.8	10.6	20.4				
Georgia-Florida Shade grown (type 62)							
1947	4.2	3.2	7.4	3.6			265.0
1948	5.3	3.8	9.1	4.6			245.0
1949	6.2	4.5	10.7	4.8			195.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955 2/	6.8	6.9	13.7	7.3			185.0
1956 2/	6.8	6.4	13.2				
Total Shade grown (types 61-62)							
1947	13.5	13.4	26.9	12.4	12.4		296.0
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955 2/	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956 2/	16.6	17.0	33.6				

1/ Year beginning July 1.

2/ Subject to revision.

Table 20.--Acreage of tobacco in the United States, by class and type, average 1947-49, annual 1955-57, and percentages

Class and type	Average 1947-49	1955	1956	1957 1/	Percentage change 1956 to 1957
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	355.0	354.0	314.0	236.0	-24.8
Eastern North Carolina, type 12	327.0	317.0	282.0	217.0	-23.0
South Carolina, type 13	198.0	197.0	173.0	134.0	-22.5
Georgia and Florida, type 14	113.5	122.7	107.3	75.9	-29.3
Total flue-cured, types 11-14	993.5	990.7	876.3	662.9	-24.4
Virginia, type 21	12.0	9.1	8.6	7.1	-17.4
Kentucky and Tennessee, type 22	39.3	27.7	27.3	22.5	-17.6
Kentucky and Tennessee, type 23	17.6	11.4	11.2	8.4	-25.0
Total fire-cured, types 21-23	2/69.0	48.2	47.1	38.0	-19.3
Burley, type 31	433.3	310.4	310.4	307.0	-1.1
Maryland, type 32	48.0	47.0	44.0	40.0	-9.1
One Sucker, type 35	17.8	12.8	12.3	10.2	-17.1
Green River, type 36	11.4	7.2	6.8	5.6	-17.6
Virginia sun-cured, type 37	3.2	4.2	3.2	2.9	-9.4
Total dark air-cured, types 35-37	32.4	24.2	22.3	18.7	-16.1
Pennsylvania Seedleaf, type 41	3/ 37.3	29.5	30.0	30.0	0
Miami Valley, types 42-44	6.8	4.4	3.9	3.7	-5.1
Total cigar filler, types 41-44	3/ 44.1	33.9	33.9	33.7	-5.6
Connecticut Valley Broadleaf, type 51	9.3	7.7	4.2	3.5	-16.7
Conn. Valley Havana Seed, type 52	8.8	5.7	2.9	2.4	-17.2
Southern Wisconsin, type 54	9.2	4.5	3.9	4.3	10.3
Northern Wisconsin, type 55	13.3	9.1	7.4	7.8	5.4
Total cigar binder, types 51-55	4/ 40.6	27.0	18.4	18.0	-2.2
Conn. Valley shade-grown, type 61	10.2	8.0	7.9	7.9	0
Ga. & Fla. shade-grown, type 62	4.6	4.9	5.4	5.2	-3.7
Total cigar wrapper, types 61-62	14.8	12.9	13.3	13.1	-1.5
Louisiana Perique, type 72	.4	.2	.3	5/ .2	-10.7
Total all types	1,676.1	1,494.5	1,366.0	1,131.6	-17.2

1/ Farmers' intentions as of March 1.

2/ Includes small acreage of type 24.

3/ Includes small acreage of type 53.

4/ Includes small acreage of type 56.

5/ Rounded to hundred acres for inclusion in types and U. S. totals.

Table 21.- Cash receipts from farm marketings, averages 1936-45 annual 1946-56 with percentages

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Average:						
1936-40	4,715	3,491	8,206	274	7.8	3.3
1941-45	10,057	7,479	17,536	585	7.8	3.3
1946	13,730	10,834	24,564	969	8.9	3.9
1947	16,476	13,230	29,706	1,032	7.8	3.5
1948	17,071	13,136	30,207	945	7.2	3.1
1949	15,359	12,585	27,944	903	7.2	3.2
1950	15,976	12,352	28,328	1,061	8.6	3.7
1951	19,612	13,187	32,799	1,191	9.0	3.6
1952	18,445	14,248	32,693	1,090	7.7	3.3
1953	17,209	14,035	31,244	1,094	7.8	3.5
1954	16,688	13,515	30,203	1,161	8.6	3.8
1955 1/	15,970	13,431	29,401	1,225	9.1	4.2
1956 1/	16,207	13,792	29,999	1,151	8.3	3.8

1/ Preliminary.

Table 22.- Internal Revenue Collections from tobacco products, averages 1930-44, annual 1945-46

Period	Cigars 1/	Cigarettes 2/	Chewing and smoking	Snuff	Total 3/
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Average:					
1930-34	14.3	344.6	56.9	6.9	423.9
1935-39	12.8	472.0	54.9	6.7	547.6
1940-44	21.0	750.5	50.4	7.3	833.3
1945	38.2	937.2	48.6	7.9	1,034.2
1946	47.5	1,125.2	38.0	7.1	1,218.4
1947	47.1	1,175.9	35.9	7.1	1,266.7
1948	46.7	1,220.6	35.9	7.5	1,311.5
1949	43.6	1,233.1	34.9	7.4	1,320.0
1950	42.8	1,262.7	34.3	7.2	1,348.1
1951	44.0	1,359.9	30.7	6.4	1,445.8
1952	45.8	1,579.6	17.6	3.9	1,661.7
1953	46.4	1,546.0	16.7	3.9	1,613.8
1954	44.9	1,477.1	16.1	3.9	1,542.8
1955	45.7	1,529.8	15.6	3.9	1,596.1
1956	44.5	1,575.6	14.5	3.8	1,639.0

1/ Includes small cigars. 2/ Includes large cigarettes. 3/ Total includes cigarette papers and tubes, cigarette and cigar floor taxes, and leaf dealer penalties not shown separately in this table.

Compiled from reports of the Internal Revenue Service.

Table 23.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-55, by quarters 1954-56

Year and quarter	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders' equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
Current series ^{1/}							
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1954							
1	846	72	34	8.5	4.0	19.1	9.0
2	932	81	38	8.7	4.1	21.3	10.0
3	970	93	44	9.6	4.5	24.1	11.4
4	924	83	40	9.0	4.3	21.3	10.2
1955							
1	860	74	35	8.6	4.1	18.8	8.9
2	975	98	47	10.1	4.8	24.6	11.8
3	994	110	53	11.1	5.3	27.3	13.1
4	967	106	48	11.0	5.0	26.0	11.8
1956							
1	900	87	41	9.7	4.6	21.3	10.0
2	1,002	105	50	10.5	5.0	25.2	12.0
3	1,026	111	54	10.8	5.3	26.2	12.7

^{1/} Not strictly comparable to the series previously published for 1947-51, but differences in the current and previous series for 1951 are relatively minor.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

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